

FBIS

DAILY REPORT

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PRC INTERNATIONAL AFFAIRS
GENERAL

A 1

FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Refutes Shelling of SRV Camp

OW110812 Beijing XINHUA in English 0802 GMT 11 Jun 86

[Text] Beijing, June 11 (XINHUA) -- A Chinese Foreign Ministry Spokesman at a weekly news briefing today called Vietnamese accusation of China's shelling of a summer camp in Vietnam's Ha Tuyen Province a "sheer fabrication and vicious slander."

The alleged shelling, said to occur June 1, was a "despicable ploy by the Vietnamese authorities in an attempt to stir up anti-China sentiments and undermine the friendship between the Chinese and the Vietnamese peoples," the spokesman pointed out.

"According to the outcome of an investigation and verification by the Chinese authorities concerned, on the very day of June 1, the Vietnamese forces continued their armed provocations with heavy bombardment on the border areas in China's Yunnan Province. Thousands of artillery shells were fired and several Chinese border inhabitants were killed or wounded," he said.

The spokesman added that Vietnamese troops were also dispatched repeatedly for attacking and harassing Chinese border positions and encountered deserved counterattacks by the Chinese border guards.

Mali President To Visit

OW110732 Beijing XINHUA in English 0726 GMT 11 Jun 86

[Text] Beijing, June 11 (XINHUA) -- General Moussa Traore, president of the Republic of Mali, and his wife will pay an official visit to China from June 19 to 26 at the invitation of President Li Xiannian. A foreign Ministry spokesman announced this at today's weekly news briefing. This is President Moussa Traore's third visit to China, after his visits in 1973 and 1981.

GORBACHEV CONDEMNS U.S. NUCLEAR POLICY

OW100153 Beijing XINHUA in English 0046 GMT 10 Jun 86

[Text] Budapest, June 9 (XINHUA) -- Visiting Soviet leader Mikhail Gorbachev today condemned the U.S. nuclear policy as "immoral and most dangerous", saying Washington is risking human life for its own interests. Gorbachev, the Soviet Communist Party general secretary, who arrived here Sunday for a two-day official visit before attending a Warsaw Pact summit meeting, made the remarks at a mass rally to welcome him in the capital city.

He said the Soviet Union has stopped nuclear tests for nearly one year. The purpose of the Soviet unilateral moratorium, he noted, was to persuade the United States to follow suit.

On the nuclear weapons deployed on the European continent by the United States and the Soviet Union, Gorbachev reiterated Moscow's earlier proposal that the two countries should destroy their weapons and that Britain, France and other countries capable of producing such weapons should not make them again. He admitted that the problems can not be solved immediately but there should be progress. The Soviet Union is willing to begin talks with Britain and France in this aspect, he said.

Noting that "we live in a difficult and complex era," Gorbachev said the Soviet Union had proposed to the United Nations not long ago to "make space an arena of 'star peace', rather than 'star wars'."

On the April 26 Chernobyl nuclear accident in the Soviet Union, Gorbachev said security measures have been enforced on all the operating nuclear power stations and those under construction. He said attention should be paid to material, moral and psychological problems caused by nuclear accidents. While proposing a law to ensure state medical service, housing and other material help to the victims of nuclear accidents, Gorbachev warned that such accidents should not be used to stir up tension and distrust in inter-state relations.

On socialist construction in other countries, Gorbachev said the Soviet Union is closely following the methods Hungary and other countries are employing in solving their economic problems. The Soviet Union will explore all methods that strengthen its economy, politics and ideology, Gorbachev said. Time does not allow socialist countries other choices and to explore a road creatively has become a new historical challenge to socialism, he said.

Janos Kadar, general secretary of the leading Socialist Workers' Party of Hungary, who also attended the gathering, said in his speech that the Warsaw Pact summit to be held tomorrow comes at a time of tense and contradictory international situation. The states attending the meeting will support peaceful coexistence between countries with different social systems and a world in which every one can live a free and democratic life, he said.

SALT II TREATY IN DANGER OF 'DISINTEGRATION'

OW101312 Beijing XINHUA Domestic Service in Chinese 1313 GMT 9 Jun 86

[By reporter Ju Mengjun]

[Text] Beijing, 9 Jun (XINHUA) -- XINHUA Roundup: USSR-U.S. Strategic Arms Limitation Treaty in Danger of Disintegration.

There has been no progress in USSR-U.S. Geneva arms control talks, and a few agreements concerning arms control between the two countries -- the most important of which being the second stage Strategic Arms Limitation Treaty [SALT II] -- are also in danger of disintegration. The U.S. authorities have said they will no longer observe this treaty. The Soviet Union has categorically declared that it will not be bound by the treaty if Reagan puts the decision into practice.

The SALT II Treaty was signed in Vienna in June 1979 by then Soviet leader Brezhnev and former U.S. President Carter. The treaty was valid until 31 December 1985. But according to provisions, the treaty is automatically extended if neither party declares it void. The treaty has somewhat limited the two countries' offensive strategic weapons. For instance, each side is limited to 1,320 MIRV ballistic missiles and strategic weapons carriers such as heavy bombers equipped with such missiles. It allows for improving existing strategic weapons but places strict limitations on the development of new type weapons, allowing each side to produce and deploy one type of new strategic missile.

All along, the treaty has not been approved by the U.S. Congress because of the Soviet armed intervention into Afghanistan toward the end of 1979. After his inauguration as U.S. President in January 1981, Reagan held that SALT II had a "fatal flaw." However, considering possible implications, he said he would still abide by the treaty.

For several years, the Soviet Union and the United States have been locked in endless arguments over the treaty, accusing each other of violations. The United States has accused the Soviet Union of not observing the limitation clause on research and deployment of only one type of new intercontinental ballistic missile, saying the Soviet Union has deployed new SS-25 intercontinental ballistic missiles. It has also accused the Soviet Union of sabotaging stipulation on verification because the latter has converted remote measuring data of missile tests into secret code, making it difficult for the United States to verify Soviet missile tests. The Soviet Union, on the other hand, has categorically said that the "SS-25" missile is "nonexistent" and that the alleged missile referred to by the West is, as a matter of fact, an improved version of the SS-12; hence it does not fall within the scope of limitations. It has thrown back the accusation, saying the United States has violated the treaty by developing a second type of Midget, a new intercontinental ballistic missile. It sees U.S. deployment of Pershing 2 and cruise missiles in Western Europe as a violation of clause 12 of the treaty. In brief, such verbal exchanges have been going on constantly, and there is no end in sight.

Now, the U.S. Government is prepared to unilaterally scrap the treaty, citing as its reason, Soviet noncompliance with SALT II. On 27 May, Reagan declared that the United States would not be bound by the treaty later this year, and by that time, the number of B-52 bombers equipped with cruise missiles would exceed the treaty limitations. Defense Secretary Weinberger said it more to the point; he said the United States would probably break the limit of 1,320 strategic missile launchers as stipulated in the treaty by August or September this year. They note that the Soviet Union is "leading in time" in developing nuclear strength. Only by eliminating "man-made limitations" in the SALT II Treaty can the United States restore the "full strength of deterrence."

The Soviet Union has reacted strongly to the Reagan administration decision. On 31 May, the Soviet Government issued a statement saying it would not "stand idly by." Akhromeyev, chief of General Staff of the Soviet Armed Forces, said on 4 June that "the Soviet Union will find a sufficient and effective countermeasure" if the U.S. deploys strategic weapons exceeding the treaty limitations. The Soviet Union has also warned that if the United States scraps the treaty, it would affect the entire USSR-U.S. relations, this year's scheduled summit meeting, and the USSR-U.S. Geneva talks.

Like all other USSR-U.S. arms treaties, the SALT II Treaty has not, in the past 7 years, put a real stop to the nuclear arms race between the two countries. But, it is better than nothing. At least it has verbal restrictions. Therefore, Reagan's decision has met with opposition or reservations from a large number of people in the country and from almost all U.S. allies. People are concerned that disintegration of the treaty will be like adding fuel to the fire and that the unchecked arms race between the two superpowers will be even harder to control.

FRG, UK, U.S. COOPERATE ON SHORT-RANGE MISSILE

OW100211 Beijing XINHUA in English 0101 GMT 10 Jun 86

[Text] Bonn, June 9 (XINHUA) -- The Federal German Defence Ministry today confirmed that it will cooperate with the United States and Britain in developing a short-range tactical missile.

The missile will be equipped with conventional warhead and is designed to strike missile bases and enemy forces well behind the front. It will have a range of about 400 kilometers enabling a fighter bomber such as the West-European co-produced Tornado to fire the missile and yet remain out of enemy radar range. The three countries plan to produce 500 such missiles.

Up to 1984, Federal Germany was not allowed to produce missiles with a range beyond 70 kilometers. The Federal German decision to join in the development of the missile has been criticized by the Soviet Union. The Soviet news agency TASS said the action gives a "green light" to an arms race along the Rhine.

ZHAO ZIYANG DISCUSSES COOPERATION WITH UNIDO

OW101406 Beijing XINHUA in English 1353 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China is willing to further its cooperation with the United Nations Industrial Development Organization (UNIDO).

"With a view to China's present economic development, there are broad prospects for such cooperation," he added. The Chinese premier made these remarks at a meeting with Domingo L. Siazon Jr., director-general of UNIDO, and his party here this afternoon. Zhao praised the U.N. organization for its efforts in promoting industrial development of various countries for many years.

He expressed satisfaction with the cooperation between the U.N. organization and China in the past decade or so, especially since 1978. "Your generous assistance in industrial technologies has helped China in its modernization drive," he said. He said that during the country's Seventh Five-Year Plan for Socio-Economic Development (1986-90), China's national economy will maintain steady development, which calls for strengthened cooperation with the U.N. organization in training industrial technicians and managers. Since the economies of developing countries are relatively backward, he said, it will be important to help these countries train their technical personnel. China hopes to get further help from the U.N. organization in this regard.

He also expressed the hope that the U.N. organization will play a more important role in improving North-South relations and promoting South-South cooperation in particular.

Siazon told Zhao that there are broad prospects for cooperation between his organization and China, which not only receives assistance from his organization, but also takes an active part in the organization's work to help other Third World countries. He expressed admiration for China's rapid industrial development in recent years. He said that UNIDO, which has followed closely China's development, is willing to further its cooperation with China in personnel training. After the meeting, Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin hosted a dinner for Siazon and his party, who arrived here this afternoon as his guests.

PRC DELEGATE SPEAKS TO UN DEVELOPMENT MEETING

OW101819 Beijing XINHUA in English 1429 GMT 10 Jun 86

[Text] Geneva, June 10 (XINHUA) -- China today appealed to the world community to help developing countries exploit their human resources, saying it would be an act of far-reaching significance.

Addressing the 33rd council meeting of the United Nations Development Program (UNDP), Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, said "human resource development is a decisive factor in a nation's socio-economic development and scientific and technological advancement."

The meeting, which began on June 2, is reviewing UNDP's working report for 1985 and its plans to assist 45 countries, including China. Today's session focused on human resource development.

Shen said the world is in the midst of a technological revolution that continues to accelerate, making human resource development essential. By nurturing human resources, developing nations will not only help themselves but also help all of human society and the global economy, Shen said.

He urged the entire international community, including the developed countries and international financial institutions, to support the human resource development efforts of the developing world. China, which is also a developing country, regards human resource development, especially education, as the key to the success of its modernization, Shen said.

While introducing China's past achievements, Shen said China greatly values intellectual development and its national spending on education will be 72 percent more in the next five years than in the previous five years. Local governments will also devote a greater part of their budgets to education, he added.

On international cooperation, Shen said China, in providing economic and technical assistance to other countries, is not trying to make the recipient countries dependent upon China, but rather wants to help them become self-reliant. He said China by the end of 1984 had sent more than 400,000 engineers and technicians to other developing countries and accepted more than 50,000 trainees to study in China.

WAN LI MEETS INTERNATIONAL PHYSICIANS

OW081224 Beijing XINHUA in English 1136 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Chinese Vice-Premier Wan Li met here today a delegation from the International Physicians for the Prevention of Nuclear War (IPPNW), an organization which won the 1985 Nobel Peace Prize. During the meeting, Wan reiterated the position of the Chinese Government for a total ban of nuclear weapons.

He said that the main task facing China today is to improve the material and cultural life of its people. Therefore, China needs a stable and peaceful international environment. He pointed out that dangers in the world today mainly come from the arms race between the two superpowers. This year, he said, is the International Year of Peace, an issue of concern to the whole mankind. Doctors know even better the harm of nuclear weapons to human beings. "Let's work together for world peace and development," he added.

The seven-member delegation led by U.S. Cardiologist Bernard Lown and Soviet Cardiologist Yevgeniy I. Chazov, co-presidents of the organization, arrived here June 5 at the invitation of the Chinese Medical Association. During their stay here, the physicians lectured on the medical and ecological consequences of a nuclear war.

FOREIGN MINISTRY DEMANDS JAPANESE BOOK REVISION

OW091444 Beijing XINHUA in English 1432 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- The Chinese Foreign Ministry has sent a stern note to the Japanese Embassy here, demanding Japan correct a proposed high school textbook that grossly distorts the history of the Sino-Japanese war.

Yang Zhenya, director of the Asian Affairs Department of the Chinese Foreign Ministry, last Saturday delivered a note to Kagechika Matano, acting Japanese charge d'affaires, stressing that the textbook runs counter to the Japanese Government's promise to seriously "self-examine" the great harm Japan inflicted upon the Chinese people during Japan's 1937-1945 war against China.

At issue is a revised Japanese history textbook for high school use that was compiled by the National Council for the Defence of Japan and recently approved by the Japanese Education Ministry. The book distorts history in several places, such as describing Japan's aggression against China as necessary, glossing over the holocaust perpetrated by Japanese troops in Nanjing in 1937, and whitewashing the Pacific War as Japan's efforts to "liberate Asia from the rule of European and American powers and to build a greater East Asia Co-prosperity Sphere."

In today's note, the Chinese Foreign Ministry recalled a 1982 promise by the chief of the Japanese Cabinet that in checking textbooks Japan would naturally abide by the Sino-Japanese joint statement in which Japan said it would examine its war against China. The note said that the Japanese Education Ministry failed to honour the commitment by approving the textbook.

"To safeguard Sino-Japanese friendship and guarantee a healthy development of relations between the two countries, the Chinese Government strongly demands that the Japanese Government implement its 1982 commitment in the spirit of the Sino-Japanese joint statement and eliminate the negative effects caused by the issue," the note says.

Since Japan has explained that the textbook has yet to get final approval, China hopes the issue will be seriously handled and swift and effective measures will be taken to rectify the erroneous accounts in the textbook, the note says.

HU QILI MEETS JAPANESE WOMAN NOVELIST

OW071045 Beijing XINHUA in English 1024 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met Japanese woman writer Toyoko Yamasaki here today. The Japanese writer presented Hu with two copies of her own works "The Glorious Family", one in Japanese and the other in Chinese.

She has made several trips to China since 1984 to gather materials for a novel themed on the two countries. Hu praised her for the earnest attitude in writing and hard work, and expressed the willingness of his country to continue providing easy accesses for her art creation. The Japanese writer arrived here May 19 as guest of the Chinese Writers' Association.

RADIO BEIJING ON NEW PHILIPPINE GOVERNMENT

HK070605 Beijing International Service in Tagalog 1130 GMT 6 Jun 86

[Radio commentary: "News Roundup on New Philippine Government"]

[Text] Yesterday marked the 100th day in power of Philippine President Corazon Aquino. In the last 3 months, her government has implemented a series of reforms to consolidate the situation, strengthen the new political power, eliminate the remnants of Marcos' forces and influences, and stabilize and develop the national economy. Today, the condition in the Philippines is stable and normal following the chaos in the last days of Marcos' reign. Stores have a more abundant supply of goods as compared to the old days. The stock exchange has resumed its normal operations. More and more tourists and foreigners are arriving to see the country's lovely tropical sights. The administration's prestige at home and abroad is on the rise.

When the new government came to power on 25 February this year, it inherited a country in disarray, the result of 20 years of Marcos' reign, and which is characterized by an unstable political situation, economic depression, mass poverty, and intense social contradictions. Confronted with such a situation, the Aquino government firmly took a series of reform actions.

On the political front, the new government released more than 520 political prisoners imprisoned by the previous Marcos administration. The writ of habeas corpus was restored. A temporary constitution was issued, while the Batasang Pambansa from the Marcos period was abolished. At present, the new government is drafting a new constitution to ensure the stability of the country on a long-term basis.

In order to reorganize the army, the new Philippine Government retired more than 30 high military officials who were close to Marcos, dissolved military organs and units under the direct control of former Chief-of-Staff Fabian Ver, and set up special organs to investigate violations of the law committed by military officials during the Marcos rule.

In order to improve the economic situation, the new government froze and sequestered the ill-gotten wealth of Marcos and his cronies. It also dismantled sugar and copra monopolies of large corporations controlled by Marcos.

Since the new government came to power, prices of petrol products have been twice reduced and \$500 million has been allocated to deal with problems of recent lay-offs.

The new government outlined a long-term economic recovery and development plan. It sought a restructuring of the economy with emphasis on agricultural development. Moreover, it encouraged the growth of private enterprises as well as of small and medium-scale enterprises and promoted tourism and exports.

On foreign relations, the establishment of new government led to improved relations with the United States, Japan and other developed states. At the same time, it strengthened its ties with ASEAN states, China, and other developing countries. Within a period of 3 months, the Philippines welcomed more than 10 high-level delegations and also sent its own delegations overseas. Vice President Salvador S. Laurel will visit China on 15 June. He will be the first Philippine leader to come to China since the assumption of office of President Corazon Aquino.

The Aquino government has implemented measures beneficial to stabilizing the situation in the Philippines and has built the foundation for economic recovery. So far, creditor nations and international finance institutions have pledged to grant the Philippines \$120 billion in loans and aid. Nevertheless, the administration of Corazon Aquino continues to confront many serious problems and obstacles. In particular, the economic recovery has proceeded at a very slow pace. The economy is heavily burdened with more than \$25 billion of foreign debts. It is very difficult to resolve the severe unemployment problem in a short time, while crime rates in some areas have worsened.

The Aquino government is well aware of the gravity of all these problems and has called for a second revolution to revive and develop the economy and, thus, better the lives of the people.

Meanwhile, the government is modifying some of its policies. It is broadening unity in the country. It is paying attention to the interests of labor and capital so as to create an environment favorable for the entry of investments.

As the Aquino government celebrates its 100th day in office, the people acknowledge the remarkable achievements of the new government. However, the march onward is by no means smooth. The new government of Corazon Aquino is presently adopting correct and just policies to strengthen internal unity and coordination. By uniting all forces that can be united, it will certainly be able to lead the Filipino nation to overcome the problems ahead and achieve new victories.

JOURNAL DETAILS SRV 'COLONIAL RULE' IN CAMBODIA

HK080854 Beijing BAN YUE TAN in Chinese No 10, 25 May 86 pp 54, 55

[Article by Yan Ming: "Vietnamese Colonization in Cambodia"]

[Text] In early 1979, after occupying Cambodia militarily, Vietnam helped Heng Samrin establish his puppet regime. With a garrison force of 170,000 or 180,000 in Cambodia, Vietnam is trying to "colonize" the country through an outflow of emigrants to it and to establish its "colonial rule" through political, economic, cultural, and other means.

Cambodia's Backstage Ruler

The Vietnamese "Committee for Work in Cambodia" in Phnom Penh is actually both the most powerful organ of the occupational force and Cambodia's "backstage ruler." In appointing central or local officials and in handling its domestic and foreign affairs, the puppet regime has to listen to this "backstage ruler. Over the past years, as the Cambodian people's anti-Vietnamese struggle has gained momentum, the Vietnamese have been tightening the noose on the puppet regime. By accusing people of "colluding with the enemy," "harboring national sentiments," "not exerting oneself," and so on, they have weeded many officials from the puppet regime, including "Prime Minister" Pen Sovan and many local officials. Vietnamese "provincial supervisors" (provincial Vietnamese advisers) are assigned to "insecure" areas and given supreme military and political power.

Regarding military affairs, the Vietnamese authorities have set up a Vietnamese garrison force headquarters (codenamed 719) to directly control Heng Samrin's troops and to be responsible for drafting, training and maintaining all military bases.

Composition of the Population Change as a Result of the Influx of a Large Number of Immigrants

Since 1979, Vietnam has been stealthily sending its people to settle in the provinces in eastern Cambodia. In 1982, Vietnam and the Heng Samrin regime signed treaties and agreements concerning the Vietnamese-Cambodian border, transition, border trade, and Vietnamese and Cambodians in each other's country, thus opening Cambodia's eastern gate to the Vietnamese and making Vietnamese emigration to Cambodia something open and legal. According to one report, up to the end of last year, Vietnam had sent more than 700,000 emigrants to Cambodia in 7 years and, in Phnom Penh and some cities and towns, Vietnamese immigrants constitute over 60 percent of the population. Now, Vietnamese immigrants are penetrating the Cambodian interior. Backed by the Vietnamese garrison force, they set up their own organs of political power; occupy by force the richest farmland, fishing grounds, and plantations; and seize houses, farm tools, and farm cattle from the local people, thus driving thousands upon thousands of Cambodians from their hometowns as refugees.

Ethnic Assimilation

Through intermarriages and by educational and cultural means, the Vietnamese are pursuing a policy of ethnic assimilation. In the educational and cultural domains, under the pretext of helping the puppet regime disseminate teaching experience, the Vietnamese force the schools in Cambodia to teach according to Vietnamese teaching plans. Their teachers are either trained by Vietnam or are Cambodian-speaking Vietnamese teachers. Although the textbooks are written in Cambodian, their content and the curricula are decided by the Vietnamese. Cambodian students are receiving a slavish education. At the schools, Vietnamese is one of the compulsory courses. By organizing various "training courses," the Vietnamese send the puppet regime's government officials and military officers on a rotational basis to learn Vietnamese or to receive Vietnamese education. "Promising ones" are sent to Ho Chi Minh City to "further their studies."

For the masses of people, intermarriage means making Cambodian women wives of Vietnamese; for the officials, it means acquiring Vietnamese wives. The Vietnamese authorities encourage demobilized or disabled Vietnamese soldiers in Cambodia to "set up their families" in Cambodia and to marry Cambodian women. Their children and descendants are all entitled to Vietnamese nationality.

Economic Plunder

Claiming that they are "helping the Cambodians develop their country," the Vietnamese have occupied and are still occupying the richest areas in Cambodia. At harvests, the Vietnamese soldiers and immigrants form "armed groups" to crash reap the rice and Vietnamese workers rush to the rubber plantations in central and eastern Cambodia by truck. In Tonle Sap and along the lower course of the Mekong, Vietnamese fishing junks dash about. In the pepper groves in southwestern Cambodia, the Vietnamese are the harvesters. In Phnom Penh and some provincial cities, the most important commercial departments are monopolized by the Vietnamese. The Vietnamese have taken from Cambodia untold amounts of rice, rubber, aquatic products, timber, and other natural resources.

The Vietnamese authorities' colonial rule has inevitably led to Cambodian resentment and resistance. In many rubber plantations in eastern Cambodia, near many fishing grounds, and along many highways, struggles against Vietnam's ethnic assimilation policy and economic plunder have broken out, and many Cambodians have joined the ranks of the struggle against aggression.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

G 1

FURTHER REPORTAGE ON HU YAOBANG'S EUROPEAN VISIT

At British Library, Other Sites

OW110810 Beijing XINHUA in English 0749 GMT 11 Jun 86

["Round-up: Hu Yaobang Visits British Library, Shakespeare's Home Town, Oxford University" -- XINHUA headline]

[Text] London, June 10 (XINHUA) -- Chinese leader Hu Yaobang today added a historical perspective to his first visit to Britain as he toured three time-honored places associated with such giants as Karl Marx and William Shakespeare. This morning Hu visited the general reading room of the British Library, the scene of research activities by many celebrated thinkers and revolutionaries, including Marx, who wrote "Capital," a classic economics book described by V.I. Lenin as the "bible" for the working class, there.

Stopping at seat 7, row O, once used by Marx, Hu said, "For a period of time Karl Marx came here every day, and sometimes, he stayed here all day long, only having bread for his meals."

The general reading room, which can accommodate more than 600 readers, was built up in 1857 by Antonio Panizzi, an influential Italian architect.

Hu, accompanied by Britain's Minister for the Arts Richard Luce, was presented with a framed facsimile of the Magna Carta, an inscribed copy of "The History of Writing" by Albertine Gaur and a holograph signature of Dr. Sun Yat-sen, the pioneer of the Chinese democratic revolution.

The general secretary was then guided into the king's library where he viewed with interest Shakespeare's signature, the world's earliest printed book, the diamond sutra, and some ancient English books and Chinese scrolls. The British Library, one of the most famous national libraries in the world, possesses over 15.5 million volumes and over 360 miles of shelving.

Concluding his visit to the British Library, the general secretary of the Central Committee of the Chinese Communist Party arrived at Stratford-Upon-Avon, the birthplace of the great dramatist and poet William Shakespeare (1564 - 1616), whose 38 plays and 154 sonnets have won an immortal place in world literature.

Hu, along with Chinese Vice Premier Li Peng and sociologist Fei Xiaotong, visited Shakespeare Center, built in 1964 to mark the 400th anniversary of the dramatist's birth, and a 16th century house in Henry Street where Shakespeare was born and spent his childhood. Hu presented Dr. Levi Fox, Shakespeare Center's director, with an album of theater photos taken during the first "China Shakespeare Drama Festival" in April.

The two-week festival, inaugurated on April 10 to mark the bard's 422nd birthday, had featured 11 Shakespearian plays in Beijing and 13 in Shanghai, drawing a total audience of about 90,000. Four Shakespearian seminars for Chinese and foreign experts were also held in Beijing.

In a letter to the festival, British Prime Minister Mrs. Margaret Thatcher said, "The imagination and effort which have clearly gone into the festival are a tribute both to Shakespeare's greatness and to the cultural energy of the Chinese people." A collection of Shakespearian tales was translated into Chinese 120 years ago, and 60 years later, some of his plays were first performed in China.

During today's visit to Stratford-Upon-Avon, Hu Yaobang emphasized that "Shakespeare belongs not just to Britain, but also the world." "With his unremitting hard work and his great talent, Shakespeare left an enormous and invaluable cultural wealth to people all over the world," the general secretary told a luncheon given in his honor by the mayor of Stratford-Upon-Avon.

Strolling to a beautiful garden on the bank of the river Avon, Hu met four teenage schoolgirls and had a happy chat with them. Sitting cross-legged on the grass, the Chinese leader asked through interpreter whether they knew the location of China, and then gave the smiling girls gifts including books on Chinese painting.

In the afternoon, the Chinese guests visited Oxford University, one of the world's oldest and most prestigious institutions of higher learning. He visited Oxford Instruments Limited, the Oxford University Press and the Oxford University Department of Metallurgy.

Speaking at a dinner hosted by Oxford University Chancellor Lord Stockton, Hu praised the university for training tens of thousands of statesmen, scientists and men of letters, including many Chinese scholars. At the end of the dinner, Hu showed the 93-year-old Lord Stockton a list of 3,000 books to be presented to the university as a gift from China.

The university, founded in the early 12th century, was a leading center of learning throughout the Middle Ages, and produced such scholars as Roger Bacon, Duns Scotus, John Wycliffe. It has maintained an outstanding reputation, especially in the classics, theology, and political science.

FRG Official Welcomes Visit

OW110215 Beijing XINHUA in English 0144 GMT 11 Jun 86

[Text] Bonn, June 10 (XINHUA) -- A Federal German spokesman said here today that Chinese leader Hu Yaobang's scheduled visit to Federal Germany symbolizes the strong political and economic relations between the two countries. Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, will pay an official visit to Federal Germany from June 12-16. He is now visiting Britain on the first leg of his European trip, which will also take him to France and Italy.

During an interview with a group of Chinese reporters, government spokesman Friedhelm Ost said that Federal German leaders will discuss with Hu China's economic reforms, Sino-American relations, China's views on disarmament and arms control negotiations, the situation in Asia, North-South dialogue and the development of the Third World.

In China, Ost said, the situation is stable, the economic reforms are popular, and most recently another five-year plan (1987-91) has been adopted. China, which is self-reliant and pursues an independent foreign policy, has its own views on arms control and disarmament, Ost said.

Hu's upcoming visit is one of a series of top-level exchanges between China and Federal Germany in recent years. In 1982, Federal German President Karl Carstens paid a visit to China, which was followed by Federal Chancellor Helmut Kohl's China visit in 1984 and Chinese Premier Zhao Ziyang's visit to Federal Germany in 1985. Last October, foreign ministers of the two countries began political consultations in Beijing.

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The exchanges, Ost said, prove that active and solid relations exist between Federal Germany and China.

Bilateral economic relations are also developing smoothly, Ost said. China is now Federal Germany's second largest trade partner in the Far East, after Japan. Federal Germany's export volume to China in 1985 reached 6.4 billion marks (about 2.8 billion U.S. dollars). Federal Germany values long-term cooperation with China, which is beneficial to both sides, Ost said.

On the international situation, Ost said Asian and European countries should all urge Washington and Moscow to continue their summit meetings that began last fall and take concrete measures in disarmament and arms control.

Asian countries, particularly China, have great political influence in the world and that influence is growing and will play a major role in the maintenance of world peace, Ost said. The Asian and Pacific region also has bright economic prospects, and Federal Germany hopes to become a good partner to this region, Ost added.

FRG Ties Reviewed Before Visit

OW110138 Beijing XINHUA in English 0106 GMT 11 Jun 86

["Round-up: Sino-Federal German Ties Develop Steadily (by Xia Zhimian)" -- XINHUA headline)

[Text] Bonn, June 11 (XINHUA) -- Steady development of Sino-Federal German relations has paved the way for Hu Yaobang, general secretary of the Communist Party of China (CPC), to make his first visit to Federal Germany. Hu will arrive here on June 12, on a five-day official visit at the invitation of Federal Chancellor Helmut Kohl and President Willy Brandt of the Social Democratic Party of Germany.

This is the first time for a top CPC leader to visit Bonn in 37 years after the founding of new China. His coming has been highlighted in local newspapers recently, and has been described as a significant event in the history of the development of Sino-Federal German relations.

Since the beginning of the 1980's, there have been increasing contacts and visits between government leaders of the two countries. Federal German President Karl Carstens flew to Beijing for an official visit in 1982. He was followed by Chancellor Helmut Kohl in 1984. In return, Chinese Premier Zhao Ziyang paid a visit to Federal Germany last year. Hu's forthcoming trip here is actually the continuation of these developments. In addition, almost all of the minister-presidents of Federal Germany have visited China.

Such frequent mutual visits reflects a healthy development of political relations between the two countries. In fact, Beijing and Bonn have a similar approach to a number of issues, such as opposing the international arms race, maintaining peace in Europe and the world as a whole, developing the Third World and narrowing the gap between the North and the South. A number of influential Federal German figures have pointed out that there are no conflicts of fundamental interest between the two countries.

Bonn has constantly upheld that bilateral economic ties are the core of the relationship between China and Federal Germany. Two-way trade rose by 125 percent to some 3.9 billion U.S. dollars, from 1.7 billion dollars during the 1981-1985 period. Germany tops the list of China's trading partners in Europe and is the fourth largest Chinese trading partner in the world.

In addition to merchandise trade, Beijing and Bonn have enlarged their scope of business to include the transfer of technical know-how and joint ventures. Statistics show that China signed 160 contracts with Federal Germany to import up-to-date Federal German technology between 1979 and 1985. Federal Germany's direct investments in China have amounted to about 26.5 million dollars. All of this has convinced many Federal German businessmen of a prosperous future in economic cooperation with China.

The smooth development of political and economic relations between the two countries has also produced an impact on the cultural life and scientific and technological activities of the two peoples. A series of agreements and accords signed by Beijing and Bonn, including the 1979 cultural exchange agreement, the 1980 accord on cooperation in public health, and agreements on peaceful utilization of nuclear energy and space technology signed in 1984, have brought about a cultural exchange boom. Many theater troupes and exhibitions, as well as writers and artists, have been exchanged, and serve as a bridge of understanding between the two peoples.

130 Federal German students are studying at 50 universities in China while 1,300 Chinese students are in Federal Germany. German is being taught in 21 Chinese universities and 30 special high schools, and Chinese courses are available at 21 Federal German universities and eight high schools.

China is attracting more and more Federal German tourists, who totalled 43,000 in 1985, tripling the 14,700 figure for 1980.

All of these developments suggest that Hu's trip will further promote an increase in bilateral relations and even greater understanding between the two peoples.

YANG DEZHI RECEIVES ITALIAN AIR FORCE HEAD

OW101150 Beijing XINHUA in English 1018 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- Yang Dezhi, chief of the general staff of the Chinese People's Liberation Army (PLA), met with Basilio Cottone, chief of the Air Force staff of Italy, his wife and their party here today.

Yang said that Cottone's visit to China shows the good relations between the two countries and their armies. He expressed the hope for increased exchanges and cooperation between the two armies.

Commander of the PLA Air Force Wang Hai was present at the meeting.

This morning, Cottone and his party visited the Shijiazhuang Aviation School, and the site of a PLA Air Force unit, where they watched a demonstration of flying skills.

FURTHER REPORTAGE ON POLISH PARLIAMENTARIANS VISIT

Briefed by NPC's Ye Fei

OWO60924 Beijing XINHUA in English 0747 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Ye Fei, vice-chairman of the National People's Congress Standing Committee, today told Marshal of the Polish Parliament Roman Malinowski that China rejoiced at the improvement of bilateral ties over the past few years. Briefing a Polish parliamentary delegation he is leading on China's economic restructuring during talks here today, Ye Fei acknowledged that there have been both successes and failures in its socialist construction over the past 30 years.

"There were many defects with the old model, which mainly involved excessive interferences and rigid control over economic performance by the government, so that China was resolved to reform, he said.

Malinowski said the sound cooperative relations between the two countries accord with the interests of the two peoples and the traditional friendship and the common goal of socialism also promote their cooperation. Poland is willing to expand cooperation with China in all fields and establish long-term and stable economic cooperative ties with it, he said. Great potentials exist in this aspect. Poland, too, is in the stage of economic reform, and sharing of each other's experience in this field will be beneficial to both countries, Malinowski said. Moreover, he spoke highly of China's support to Poland at the time of difficulty.

The two sides also exchanged views on international issues of mutual interest. After the talks, Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, called on Malinowski at the Diaoyutai State Guest House here and luncheoned with him. Earlier today, the Polish visitors laid a wreath at the Monument to the people's heroes.

Hu Yaobang Urges More Cooperation

OWO61440 Beijing XINHUA in English 1421 GMT 6 Jun 86

[Text] Beijing, June 6 (XINHUA) -- Communist Party Chief Hu Yaobang said today that China and Poland should expand co-operation in trade, economic matters, science, technology and culture as both countries were sincere about strengthening relations.

During a meeting with a Polish delegation led by Roman Malinowski, marshal of the Polish Parliament, at Zhongnanhai, Beijing, Hu, party general secretary, said relations between the two countries had been very good for a very long time. He said: "We'll never forget the friendly sentiments of the Polish Party, Government and people towards us. It is a fact that our countries have been estranged for some time in the past, but now the situation has changed." In recent years, exchanges of visits between senior leaders of the two countries had increased. "This is a good thing," said Hu.

Briefing the guests on China's domestic conditions, Hu said China would stick to its policy of opening to the rest of the world, and would develop economic co-operation with socialist countries, Third World countries and capitalist nations.

He said communists of the world shared the responsibility of safeguarding world peace. Chinese communists would never falter in this regard.

Communists should draw a clear line of demarcation with the capitalist system and hegemonism, he said, but in dealing with bilateral relations, they should adhere to the five principles of peaceful coexistence.

Malinowski said that Polish leaders had attached great importance to their friendly relations with China, and were pleased with the development of friendship between their countries. They both understood each other's national interests, and supported each other in international affairs. The traditional friendship between the two peoples and their socialist goals had laid a solid foundation for the further development of Sino-Polish friendship.

Malinowski said Poland was very interested in and respected the achievements China had made in its economic reforms, and believed that China's reforms and those of Poland were making important contributions to socialist construction. Poland was also keen to see an expansion of bilateral co-operation and more exchanges of visits between social and political organizations.

Ye Fei, vice-chairman of the National People's Congress Standing Committee, attended the meeting.

Meets Vice President Ulanhu

OW071134 Beijing XINHUA in English 1115 GMT 7 Jun 86

[Text] Beijing, June 7 (XINHUA) -- Chinese Vice-President Ulanhu today told a visiting Polish parliamentary delegation that China treasures Sino-Polish friendship and will continue its cooperation with Poland. Ulanhu expressed his satisfaction over the fast-growing cooperation between the two countries in the fields of economics, trade, science and technology and culture, at a meeting with the delegation led by Marshal Roman Malinowski here today.

Bilateral trade between the two countries in 1985 was three times that of 1984, the vice-president noted. There is a traditional friendship and no conflict of fundamental interest between China and Poland, he said, adding that the two countries are both dedicated to peace. Both are socialist countries engaged in economic restructuring and they should share each other's experience, he said. China sincerely hoped that Poland will enjoy stability and unity and economic prosperity, he added.

Malinowski said his delegation is the first Polish parliamentary group to visit China, which shows that the relations between the two countries have attained a pretty high level. He expressed the hope that the visit could promote bilateral cooperation. The Polish Parliament lays great store by the friendship between Poland and China and is ready to help expand bilateral cooperation, he said. The marshal wished China new successes in its economic structural reform.

Ye Fei, vice-chairman of China's National People's Congress Standing Committee, attended the meeting.

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Exchanges Views With Wu Xueqian

OW080940 Beijing XINHUA in English 0805 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met a Polish parliamentary delegation led by Marshal Roman Malinowski here today. They exchanged views on the expansion of bilateral relations and other issues.

Marshal Gives Return Banquet

OW081354 Beijing XINHUA in English 1349 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Roman Malinowski, marshal of the Polish Parliament, gave a return banquet here this evening. Vice-Chairman Ye Fei of China's National People's Congress Standing Committee attended the banquet. In his toast, Malinowski said that the meetings of his delegation with Chinese leaders showed the two countries shared common ideals and willingness to work for world peace and security. He expressed the hope that the two countries would strengthen their friendship and mutually beneficial cooperation in various areas in the building of socialism. The Polish Parliament delegation, led by Malinowski, will leave for other parts of China tomorrow.

Peng Zhen Meets Delegation

OW091230 Beijing XINHUA in English 1159 GMT 9 Jun 86

[Text] Xian, June 9 (XINHUA) -- Peng Zhen, chairman of China's National People's Congress Standing Committee, said here today that the relationship between China and Poland is that of comrades and friends. Peng said this at a meeting with a Polish parliamentary delegation led by its marshal, Roman Malinowski, here today.

Peng said that the exchange of visits by delegations from the Chinese and Polish parliaments is a result of the development of relations between the two countries. He expressed the belief that the visit of the Polish delegation will do much to promote Sino-Polish relations.

Briefing the visitors on China's economic restructuring, Peng said that reform is a demand of the development of history. Both China and Poland need reforms, the goal of which is to develop the productive forces. The necessity of suiting the superstructure to the development of the productive forces is a basic Marxist viewpoint. In light of China's experience since the founding of new China in 1949, great importance must be attached to strengthening the socialist legal system in the socialist modernization drive, he emphasized.

Malinowski said that Poland and China shared a common goal in their economic restructuring, i.e., to better develop and modernize their countries, and improve the material and cultural lives of their peoples. He said that he was pleased with the increasing contacts between the two parliaments, governments and peoples. He hoped that the comradely cooperation between the two Parliaments will help further relations between the two countries.

The Polish visitors arrived in this capital of Shaanxi Province from Beijing this morning. They visited the museum displaying excavated terracotta horses and warriors this afternoon and were welcomed at a banquet given by the Shaanxi Provincial People's Congress Standing Committee here this evening.

Visit Gezhouba Project

OW101432 Beijing XINHUA in English 1408 GMT 10 Jun 86

[Text] Yichang, June 10 (XINHUA) -- A visiting Polish parliamentary delegation, led by Marshal Roman Malinowski, inspected the Gezhouba Dam project on the Yangtze River in central China here today. The Polish visitors were taken to a sluiceway, a power plant and a shiplock. Malinowski praised the project and congratulated the workers there on their achievements. The deputy chief engineer of the Gezhouba engineering bureau, Chen Fuhou, briefed the visitors on the construction of the project.

Work on the project started in 1970. The first seven generating units, with a combined capacity of 965,000 kw, installed during the first phase of construction, went into operation in 1983. Another generating unit installed at the second phase of construction went into operation yesterday. A total of 21 generating units will be installed by the end of 1988.

The Polish visitors arrived here this morning from Xian. They were welcomed at a luncheon given by the People's Congress Standing Committee of Hubei Province today.

GORBACHEV ATTENDS WARSAW PACT SUMMIT IN BUDAPEST

OW101440 Beijing XINHUA in English 1359 GMT 10 Jun 86

[Text] Budapest, June 10 (XINHUA) -- Leaders of the Warsaw seven-member Pact today opened their annual summit, which is expected to focus on East-West relations and step up a peace drive initiated by the Soviet Union.

Attending the two-day meeting is a high-level Soviet delegation led by party leader Mikhail Gorbachev, along with Soviet President Andrey Gromyko, Foreign Minister Eduard Shevardnadze and Defense Minister Sergey Sokolov. The summit brings together top leaders of Bulgaria, Czechoslovakia, Democratic Germany, Hungary, Poland, Romania and the Soviet Union.

Although no agenda has been released for the summit, observers say the Soviet Union will be looking for Warsaw Pact help to push its peace drive. It is likely that the new disarmament proposals will emerge from the meeting. Last year Warsaw Pact leaders met in Sofia and proposed a freeze on the number of Soviet and U.S. conventional troops.

ARTICLE ASSESSES SITUATION IN POLAND

HK050313 Beijing BAN YUE TAN in Chinese No 9, 10 May 86 pp 59-60

[Article by Ma Yunliang: "The Situation in Poland Is Basically Stable"]

[Excerpts] In July, 1980, strikes and demonstrations broke out all over Poland. And the strikes and demonstrations lasted for over a year. At the end of 1981, General Wojciech Jaruzelski announced the implementation of martial law in Poland, and the political situation in Poland caused world-wide concern. Now several years have passed, what is the present situation in Poland like?

After one and a half years of military control and over 2 years of recovery work, the situation in Poland has become basically stable. The year 1985 was an important year for Poland because in 1985, the country stood three severe tests, showing that the situation in Poland was basically stable.

The first test was the case of the murder of priest Fr. Jerzy Popieluszko which took place at the end of 1984. The second test was the price hikes. The third test was the National Assembly election.

The year 1985 was the last year in Poland's 3-year plan to stabilize its economy. According to reports, within the 3 years, Poland's national income increased by 14 percent while the planned increase rate was 10-12 percent; Poland's industrial output value increased by 16 percent while the planned increase rate was 14-16 percent; and the quota for crop cultivation was overfulfilled. However, the increase of production output of animal husbandry was 1 percent lower than the planned increase rate. In 1985, most of the items showed an increase, but the rate of increase of many items was lower than that of 1983 and 1984. In 1985, the Polish Government abolished oil, sugar and oatmeal rationing. Except for some industrial products, there was a bumper supply of a variety of goods on the market as compared with the situation in 1984 and 1983.

The success of the National Assembly election was considered by the Polish authorities as the symbol of "the end of the period of political conflict and a period of domestic recovery and stabilization" so that the Polish Government concentrated its efforts on the future and on the country's development. The newly elected premier, Zbigniew Messner, further pointed out: "Poland's future and political force will be decided by the realization of its economic tasks."

The new cabinet formed after the National Assembly election has made organizational preparations for the country's economic development. General Jaruzelski, who had been the Polish premier and first secretary of the Polish United Workers' Party before martial law was implemented, resigned from the post of defence minister and the post of premier. Professor of economics Messner became the country's premier. The two vice premiers remained in office and the three newly-appointed vice premiers are all economists whose average age is below 50.

The new Polish Government is facing a difficult task. Poland now lacks raw materials and suffers from low investment efficiency and inflation. Poland's export to the capitalist countries shows only a slow increase. Externally, Poland is under pressure from economic sanctions imposed by some countries and an external debt of U.S.\$30 billion. This year, the Polish Government has decided that its most important task is to seek economic balance, improve management results, increase exports and rationally arrange employment.

In order to accomplish the above mentioned tasks and extricate itself from the economic crisis, the only way was to carry out economic reforms. At the beginning of 1982, the economic reform showed no immediate success because it was just started and there were a lot of subjective and objective difficulties. But the new government is determined to continue to make headway with the economic reform. However, in order to make the economic reform successful, the new government must continue to carry out social consultations, which is an important prerequisite for the success of the reform. This is because only when the political enthusiasm and productive enthusiasm of the people of the whole country are aroused can the reform bring its role into full play.

PRC, POLAND TO EXPAND CHEMICAL INDUSTRY TIES

OW080012 Beijing XINHUA in English 2350 GMT 7 Jun 86

[Text] Warsaw, June 7 (XINHUA) -- China and Poland will make efforts to increase cooperation in the chemical industry. This was stipulated by a memorandum on talks between Chinese Minister of Chemical Industry Qin Zhongda and his Polish counterpart Edward Grzywa.

Under the memorandum signed here today by the two sides at the end of Qin's visit to Poland, the two countries will develop the potential for further cooperation in the area. Qin, heading a Chinese chemical delegation, arrived here on May 31. During his visit, he held talks with Grzywa and met with Polish Vice Premier Wladyslaw Gwiazda. He is leaving here for home tomorrow.

PLA CHIEF YANG DEZHI MEETS ROMANIAN ARMY OFFICERS

OW081208 Beijing XINHUA in English 1156 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met and feted here this evening a group of vacationing Romanian Army officers led by Ioan Geoana, commander of Civil Defense.

CHINESE ECONOMIC DELEGATION SIGNS MINUTES IN GDR

OW071257 Beijing XINHUA Domestic Service in Chinese 0711 GMT 7 Jun 86

[Text] Berlin, 6 Jun (XINHUA) -- Schurer, GDR deputy chairman of the Council of Ministers and chairman of the State Planning Commission, held cordial, sincere, and constructive talks with Lu Dong, China's minister in charge of the State Economic Commission here on 6 June. The two sides signed a summary of the talks after the meeting.

During the talks, Schurer and Lu Dong swapped experiences in socialist construction and enterprise management in their respective countries. Both agreed to accelerate ties and exchanges of information between China's State Economic Commission and Democratic Germany's State Planning Commission, and to seek new forms of economic and technological cooperation. They also reached an agreement on projects for upgrading the technological level of some of China's enterprises.

The Chinese economic delegation led by Lu Dong arrived here for a visit on 1 June at Schurer's invitation. During the visit, Stoph, chairman of the Council of Ministers, met with Lu Dong, while Rauchfuss, deputy chairman of the Council of Ministers, and Wyschofsky, minister for Chemical Industry and the German chairman of the GDR-CHINA Committee for Economic, Trade, and Scientific and Technological Cooperation, held comprehensive talks with Lu Dong.

Ma Xusheng, Chinese ambassador to Democratic Germany, was present on the above occasions and attended the ceremony for signing the summary of the talks. The Chinese economic delegation will leave here for Czechoslovakia on 7 June.

CSSR LEADER RECEIVES VISITING CHINESE MINISTER

OW100056 Beijing XINHUA in English 0040 GMT 10 Jun 86

[Text] Prague, June 9 (XINHUA) -- Czechoslovak Premier Lubomir Strougal today received Lu Dong, Chinese minister in charge of the State Economic Commission who is heading a Chinese economic delegation on a visit here. During the meeting, both sides expressed the desire to further promote cooperation between the two countries in the fields of economy and technology. Lu and his delegation arrived here on June 7.

WAN SHAOFEN LEAVES FOR YUGOSLAVIA, ROMANIA

OW100219 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 8 Jun 86

[Text] Invited by the CY [League of Communists of Yugoslavia] Central Committee and the RCP [Romanian Communist Party] Central Committee and appointed by the CPC Central Committee, a CPC workers delegation, headed by Wan Shaofen, member of the CPC Central Committee, NPC deputy, and secretary of the Jiangxi Provincial CPC Committee, will soon leave for Yugoslavia and Romania for a friendly visit. The delegation, consisting of five members from our province, left Nanchang by plane for Beijing this afternoon.

Seeing the delegation off at the airport were leading comrades of the party, government, and army organizations in the province, including Liu Fangren, Ni Xiance, Jiang Zhuping, Wang Baotian, (Lu Xiuzhen), and Wang Guande, as well as responsible comrades of the general office of the provincial party committee, the provincial foreign affairs office, and Nanchang City.

LIAOWANG ON NEW PRIME MINISTER OF YUGOSLAVIA

HK090958 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 2 Jun 86 pp 27-28

[Article by Xu Kunming: "Mikulic, Newly Appointed Yugoslav Prime Minister"]

[Excerpts] On 16 May, applause echoed for a long time through the Federal Assembly Hall in Belgrade, capital of Yugoslavia, congratulating Branko Mikulic on his appointment as president of the Federal Executive Council. Mikulic has replaced Milka Planinc, who concluded his tenure of office as prime minister on that day. With a 4-year tenure of office, Mikulic is the eighth prime minister since the liberation of Yugoslavia.

Now 58, Mikulic is a Croatian. In his 40-odd-year revolutionary career, he has undergone the test of war and received a higher education. He has been promoted to the central authorities from the grass-roots level. Astute, talented, and farsighted, he has made remarkable achievements in his official career, can take the overall situation into account, and is an activist in state affairs who enjoys the trust of the masses and whom President Tito thought highly of.

It was not unexpected that Mikulic should enjoy nationwide support. Born in the (Pohei) mountainous areas in June 1928, he took part in the antifascist people's liberation war at the age of 15. As he did well in the struggle against the enemy, he was admitted into the youth league the following year. He joined the communist party in 1945.

After liberation, he was secretary of the county youth league committee in his native place and was subsequently appointed organizational secretary of the county party committee. He actively mobilized the masses to rebuilt their native place on the ruins left over by the war. Afterward, he was appointed secretary of the party committee of Zenica County, where he made his contributions to building Yugoslavia's first steel industrial base.

Mikulic has been appointed president of the Federal Executive Council at a time when Yugoslavia is in economic difficulties. After he was nominated as a candidate for prime minister, he pointed out on several occasions that the present economic difficulties were very serious and that the government should first solve serious problems such as stagnation in production, difficulties in exports, and inflation. Being an optimist, Mikulic is of this opinion: Yugoslavia is rich in natural resources and has great potential in production, a solid foundation in science and technology, and good staff and workers. So long as all the people are united and the initiative of cadres and the masses is brought into full play, it is possible to overcome the difficulties and to bring the economy back to the road of rapid and coordinated development.

To tackle the arduous tasks confronting the new government, Mikulic stressed that it was necessary to form a united leading body and to select for the new government excellent cadres who concern themselves with the overall interests of Yugoslavia. He pointed out: Members of the federal government should give priority to the overall interests of Yugoslavia and implement, with cooperative spirit, the policies which have been formulated. They should not act according to the instructions and orders of republics or autonomous provinces. He added that he would boldly use talented cadres who have professional skills.

From the namelist of the new government members issued recently, we know that of the 31 members, only 7 are high-level government members and that the rest are new members. Of the new members, 10 were selected from enterprises or institutions. The average age of the new government members is 51. All of them have acquired a higher education. One of them is an academician of the Institute of Science, 4 are university professors, 10 are holders of doctor's degrees, and 3 are holders of master's degrees. It seems that this is a highly trained leading body.

In his administrative program, Mikulic points out that the new government will pursue a foreign policy of nonalignment and will strive to stop the arms race, to preserve world peace, to safeguard the country's sovereignty, and to support national liberation movements. Domestically, the new government will continue to implement the general principle of strengthening national unity, safeguarding the country's unification, and developing socialist autonomy. He stressed the necessity for implementing the "long-term program for economic stability." He added that a dogmatic attitude should not be taken in dealing with his previous documents and decisions but that these documents and decisions should be perfected in the course of social practice.

Mikulic pays close attention to developing friendly cooperation with China. As early as in July 1978, he led a Yugoslav party delegation to China in the capacity of a member of the Presidium of the League of Communists of Yugoslavia and held friendly talks with Chinese leaders. In Yugoslavia, Mikulic has met Chinese delegations on several occasions. He has made important contributions to the development of friendly cooperation between Yugoslav and Chinese parties, between the two countries, and between their peoples.

ZHAO ZIYANG ON DEVELOPMENT OF MOUNTAINOUS AREAS

HK100939 Beijing JINGJIXUE ZHOUBAO in Chinese 1 Jun 86 p 1

[Report by Yang Hui: "Zhao Ziyang Inspects Hubei's Exi Autonomous Prefecture, Speaks About Commodity Economy Development in Mountainous Areas"]

[Text] Premier Zhao Ziyang recently inspected Hubei's Exi Tujia Nationality Autonomous Prefecture. After listening to a report delivered by a responsible person of the autonomous prefecture, Premier Zhao pointed out: The road of reform taken by the mountainous areas is getting wider. In order to develop the commodity econppmy, we must also solve three problems: transportation, circulation, and qualified personnel.

On the issues of developing the resources of mountainous areas, Premier Zhao said: You must establish the basic concept that you cannot process all of your resources. What road should you take then? It should be the road of jointly processing resources with large cities on the coast, including Wuhan and Shashi, and equally sharing the profits. You should discuss what kinds of raw materials you can process or what end products you can make, and what kinds of materials should be processed through cooperation with other areas. Of course, you can carry out rough machining, but you should integrate your advantages with those of other areas rather than integrating your advantages with your shortcomings. Whenever advantages meet shortcomings, it seems like two minus two and the result is zero, or the advantages are offset. Places such as yours should pay attention to this issue. This is a very important guiding ideology for mountainous areas, where access is rather difficult and natural resources are rich.

On developing the commodity economy in mountainous areas, Premier Zhao pointed out in his speech: Proceeding from the commodity economy, development should be independent of man's will. As we now stress transportation and circulation, the mountainous areas should spend great efforts on these areas. Without good transportation the mountainous areas can do nothing about the commodity economy. Moreover, there is the issue of qualified personnel. I have stressed these three issues right from the start, namely transportation, circulation, and qualified personnel. Circulation is the major question when we invigorate the mountainous areas. We should jointly run commerce, concentrating on districts or townships.

Premier Zhao said: The road of reform taken by the mountainous areas is also getting wider. With the implementation of the contracted responsibility system on a household basis, the mountainous areas can give full play to natural resources. But the areas have just started reform of the circulation sector. They still lack experience in this respect and still have not given play to the sector's advantages.

RENMIN RIBAO URGES LEARNING FROM REFORMER

HK101303 Beijing RENMIN RIBAO in Chinese 7 Jun 86 p 1

[Report by Zhai Qiyun: "Beijing's Garment Industry Launches Activities To Learn From Zhang Jieshi"]

[Text] The advanced deeds of Zhang Jieshi, a reformer who performed his official duties honestly, (as reported in the BEIJING RIBAO report reprinted by this paper on 15 March) moved millions of people.

This reporter recently visited the Beijing Municipal Garment Industry Company and heard leading cadres of many units say that they will follow Zhang Jieshi's example in honestly performing his official duties as well as carrying out the reform and blazing new trails. They will also take the lead in honestly performing their official duties in carrying out the reform.

In his lifetime, Zhang Shijie was the manager of the Beijing Great Wall Raincoat Factory. He bravely carried out the reform, scored prominent achievements, and was strict with himself, and thus moved people by his deeds. On 22 March this year, he unfortunately died from an illness. The next day, the garment industry company called on people throughout the company to learn from Zhang Jieshi. Over the past 2 months, the party committee of the company and all the units under it have arranged diverse forms of activity to learn from him. The company party committee used Zhang as an example in drawing up measures to intensify its own revolutionization. The trade unions and CYL organizations of some factories launched an emulation drive among their workers and youths in order to learn from Zhang.

All the enterprises under the garment industry company have the common determination to learn from Zhang Jieshi and steadfastly follow the path of reform. The Huali Shirt Company has learned from the Great Wall Raincoat Factory experience over the past 2 years and thus brought about tremendous changes for itself. Its factory director, Li Zhaonan, said that in the future the masses of people will regard Zhang Jieshi as a yardstick for evaluating factory leaders. This is a stimulus for and pressure on factory leaders. They had better guide the masses in comparing them with Zhang in their presence rather than letting the masses compare them with him behind their back. During party rectification, they have to rouse the masses of people inside and outside the party to criticize them and find out where they fall short. On the basis of collecting opinions and criticism from all the people, they should formulate measures to continue to satisfactorily carry out reform in their enterprises.

The Great Wall Raincoat Factory where Zhang Jieshi worked is determined to do its work in a down-to-the-earth manner and adhere to the reform path opened up by Zhang. It has roused about 1,000 staff members and workers to carry out a socialist emulation drive and put forward revolutionization proposals. In the short period of more than 1 month, 425 people have put forward over 900 revolutionization proposals.

Commentator's Article

HK101305 Beijing RENMIN RIBAO in Chinese 7 Jun 86 p 1

[Commentator's article: "Manifestation of the Spirit of the Age -- Learn From Comrade Zhang Jieshi"]

[Text] What makes the Great Wall Raincoat Factory well-known at home and abroad is its quality, name-brand products that are well received by consumers. The deeds of Comrade Zhang Jieshi, former manager of the Great Wall Raincoat Company, are being told by more and more people and inspiring people with great enthusiasm to carry out the reform and the four modernizations program.

During his lifetime, Zhang Jieshi was a well-known reform pacesetter in Beijing. As far back as the autumn of 1981, he was elected director of Beijing Garment Factory No 3 and led the workers there to follow the path of reform.

After more than 4 years of twists and turns, this cotton garment factory that was once on the verge of collapse has become a first-grade new-type enterprise admired by all people in the nation. Zhang Jieshi's enthusiasm in carrying out the reform made such a deep impression on people that they thought: "He gives the impression that he will never be satisfied unless he forges ahead continuously without ever taking a rest." On the other hand, everybody praises him, because in carrying out the reform, he never exploited the power in his hands to pursue private ends and he always maintained the pure qualities of a CPC member, was strict with himself, performed his official duties honestly, and set examples by his own deeds. As a manager of our country's biggest raincoat company, which turns out 1.68 million raincoats a year, he had no raincoat himself. This moved many people to tears!

Zhang Jieshi had many valuable qualities worth learning from. What among them is the most prominent and most worth learning from? Comrade Zhao Ziyang pointed out: "Comrade Zhang Jieshi's prominent strong points are his perseverance in carrying out reform and blazing new trails and his honest work style in serving the people wholeheartedly. This also embodies the spirit of our times." Zhang Jieshi deserved this evaluation.

The 3d Plenary Session of the 11th CPC Central Committee has ushered in a new period of vigorous development in our motherland. Taking the path of reform and building socialism with Chinese characteristics are the major tasks of our times. The new period and new tasks are calling on reform fighters to be brave in breaking old conventions and opening up new paths. Correspondingly, a large number of reformers have emerged and displayed their talents. They have insight and courage, are brave in exploring the way to implement the party's line, principles, and policies, and opening up ways to forge ahead, and have made valuable contributions. In addition, they have carried on and developed our party's fine tradition and work style, resisted corruption, kept themselves always incorruptible, carried out hard struggle, worked selflessly, and been the first to bear hardships and the last to enjoy comforts. By so doing they have won the masses of people's confidence and support. What they have done conforms to people's interests and the requirements of the development of history and clearly reflects the spirit of our times. Zhang Jieshi was precisely a prominent representative of the generation of reformers who have grown up under the education and training of the party. He was a pioneer of reform and a model of party spirit. He shone with the courage to blaze new trails and with uncorruptedness and honesty in performing his official duties.

Under the new situation of reform, opening up, and enlivening, our party members and cadres are required to closely combine doing a good job in reform and rectifying their work style. Most of our comrades have strived to do so, but there are some comrades who have failed to pay attention to doing so. Some of our comrades have observed law and discipline and committed no graft or embezzlement. This is good. A few of them, though, are overcautious, have stuck to old ways, and are not willing to carry out reform or even doubt the reform. Others of our comrades have the enthusiasm and courage to carry out reform, but they neglect "small matters," pay no attention to improving their work methods, and are divorced from the masses of people. Very obviously, neither tendency conforms to the spirit of our times or to the demand of our party's and people's undertakings. Even less do we allow the malpractice of a small number people who have pursued private gains in the name of the reform or even violated law and discipline.

Over the past few years, people have acquired a false impression that a man who is determined to carry out reform must wear Western-style suits, be fond of the good life, speak arrogantly, and be free with money. Only by so doing can he conform to the trend of the times. This is a wrong idea. Publicizing and learning from Zhang and Jieshi's deeds helps correct this wrong idea. We have never favored the practice of finding fault in minor things in a person's lifestyle related to his food, clothing, and so on. This is true even for Zhang Jieshi. No harm would have been done to his image if he had had a raincoat during his lifetime. We oppose the practice of making unwarranted charges against a reformer's shortcomings and errors, exaggerating them at will, and thus making reformers feel depressed. However, those who are determined to devote themselves to the cause of reform and the four modernizations had better pay attention to their lifestyle in order to reduce the resistance to the reform. An indispensable reason why Zhang Jieshi won widespread support from the masses of people in carrying out reform drastically was because he was strict with himself, paid attention to studying and respecting the masses feelings, and was never divorced from the masses of people. We do not hold that we should copy all of Zhang Jieshi's actual methods, but all times it is necessary to advocate hard struggle, a simple lifestyle, and honesty in performing one's official duties. This is a very valuable experience for reformers.

This year is the first year for the implementation of the Seventh 5-Year Plan. We must continue to steadfastly put reform first and satisfactorily and conscientiously do the work to consolidate, digest, replenish, and improve various reforms. This includes the work of summing up and learning from the reform experience gained and lessons drawn from the reform in the past few years. Zhang Jieshi provided our vast number of enterprise leaders with an example to correctly treat the reform, lead the reform, and continuously push the reform forward. Deepening the activities to learn from Zhang Jieshi will certainly create even more ideological and cadre conditions for our reform in the future.

"Talented people emerge in our country in every era." Our reform provides talented people with even greater room to display their talents. In the 1960's, a fine cadre such as county party committee secretary Jiao Yulu emerged and greatly educated and inspired our vast number of party members and cadres. Today, with the characteristics of the good cadres in the 1980's, Zhang Jieshi has provided a good example not only for enterprise directors (managers), but for all leading cadres and CPC members and for all those who have made up their minds to carry out the reform and reinvigorate China. Zhang Jieshi is dead, but millions of people like him will emerge!

PAPER ON FREEDOM, DEMOCRACY IN ACADEMIC WORK

HK091520 Shanghai SHIJIE JINGJI DAOBAO in Chinese 26 May 86 p 14

[Article by Feng Lanrui: "Academic Work Cannot Flourish Without Freedom and Democracy"]

[Text] For some time now, opinions have differed on whether it is better to propose academic freedom or academic democracy in the field of academic work. In my opinion, both are necessary. To make socialist academic work flourish, neither academic freedom nor academic democracy is dispensable.

Freedom refers to academic activities, and democracy to leadership in academic work. Freedom is needed in academic activities, and democracy in the leadership in academic work.

As in the political field, where democracy is the guarantee for freedom, academic democracy is the guarantee for academic freedom. Where there is no academic democracy, there is no academic freedom. Vice versa, without genuine academic freedom, what is called academic democracy must be fraudulent. In the new historical stage of China's socialist modernization, the party's work focus is shifted to the track of socialist construction. There needs to be a new situation in academic development to suit this situation. To create such a situation, it is imperative to implement the principle of allowing a hundred schools of thought to contend, to bring forward academic democracy, and to develop academic freedom.

The Principle of a Lower Level Being Subordinate to a Higher Level Does Not Work in the Academic Field

In implementing the principle of allowing a hundred schools of thought to contend, the most important thing for leading members is advancing academic democracy.

To study the new conditions and to solve with Marxist stands, viewpoints, and approaches, the new problems emerging in the practice of socialist construction and the structural reform as well as those new conditions and new problems emerging in contemporary capitalist development is the task assigned to contemporary Marxists. In order to take up this historical task, an environment is needed in which free research and discussion is possible, and which is favorable to allowing a hundred schools of thought to contend. This is in addition to arduous work and untiring efforts in the exploration of truth. Such a relaxed environment (by no means "toleration") primarily needs the ensurance of academic democracy.

Without academic democracy, there would be no academic freedom, and neither would there be the contention of a hundred schools of thought. This is a law which has been proven by the historical experiences of China over the past 37 years. Between the 1950's and the 1960's, we witnessed the failure of academic criticism on many occasions; for example, the criticism of the movie "The Life of Wu Xun," the criticism of Ma Yanchu's theory on population, and the criticism of Sun Yefang's economic thought. The guiding ideas for these campaigns of criticism were "leftist" in nature and their methods nondemocratic; hence, they all failed without exception. During the Cultural Revolution, cultural autocracy took the place of socialist democracy, which led to a stalemate in the entire field of science.

Facts have shown that our historical experiences have not come from opposing socialist in the name of science, but from violating academic democracy, confusing academic activities with ideology and politics, and going in for class struggle in academic issues. The result was the grave impedance of academic development.

The regret is that we have not drawn profound lessons from such bitter experiences. In the 7 years since the 3d Plenary Session of the 11th CPC Central Committee, it has not been rare for academic democracy to be neglected. The practice of stipulating forbidden areas, arbitrarily criticizing by name, labelling, using big sticks, and even organizing campaigns of criticism continues to take place. Moreover, these have been carried out in new guises. Recently it has been said that there is even a distinction between a higher and a lower layer of spiritual pollution. Such "blazing of new trails" is harmful in practical terms to the flourishing of academic activities.

The graveness of the situation is that such criticism by name is often based on distorted "information," with some issues escalated to the level of political problems, while others are extended and expanded and forced upon academic circles as ideological trends and tendencies. The failure in seeking truth from facts has helped the lack of democracy in academic activities to grow.

Academic leadership must follow the principle of democracy and adopt a democratic approach. The right or wrong in academic issues and the disputes on theoretical viewpoints should be judged by relying on the in-depth research and free discussion of the masses in academic circles and should not be determined by the judgment of some leading members or authorities. If a conclusion is difficult to come by in one discussion, the problem may undergo repeated discussions and research. Engels said: "The freer people are in their judgement of a certain issue, the greater the inevitability of the contents of such a judgment." No one should restrict the freedom of academic discussion and the judgment of academic issues.

Academic democracy is different from the government system or the state system, and democratic centralism cannot be implemented in the academic field. The principle of the lower level being subordinate to the higher level is not suitable here because truth is not always in the hands of the higher-level. Neither is the principle of the minority being subordinate to the majority suitable, because new ideas and new concepts in the academic field will be accepted by the majority only after going through some processes, and some will have their correctness tested through practice before they are accepted. If some votes are cast prior to this, does it not mean that truth is suppressed? The art of leadership also lies in handling affairs by starting from the characteristics of academic work and the scholars, summing up the history of the past 37 years in earnest, discovering and mastering the laws governing academic development, and acting according to objective laws. It is necessary to adopt democratic approaches, to rely on the wisdom of the masses in the academic circles, and to allow everybody to join in the discussions regarding the experiences and lessons, right or wrong, and success or failure in academic work in history. This is also an important aspect of advancing academic democracy.

Creative Activities in Academic Research Are Possible Only in a Free Environment

In order to implement the principle of allowing a hundred schools of thought to contend, it is necessary to develop freedom of academic research and academic discussion.

In academic research and discussion, there needs to be open talk and a certain site for such activities. Namely, there needs to be freedom of speech, press, assembly, and association. The Constitution explicitly ensures such freedoms. Article 35 of the PRC Constitution stipulates that "citizens enjoy freedom of speech, the press, assembly, association, procession, and demonstration," and Article 37 gives the more explicit stipulation that "citizens enjoy the freedom to engage in scientific research, creation in literature and art, and other cultural activities." However, some people are afraid of and disgusted with freedom. To them, it seems that the mere mention of freedom means "going in for bourgeois liberalization." As is universally known, "bourgeois liberalization" belongs to the realm of politics, which has specific implications in China, namely, taking the capitalist road. It is an obvious error to place freedom on a par with bourgeois liberalization.

In the eyes of Marxists, freedom has always been included in the loftiest ideals of mankind. In human society, "every progress in culture is making a step forward to freedom." (Engels) Communism is a "combined body of free men"; "for the first time in history, genuine freedom of mankind can be spoken of under such a system." Freedom is the highest state in the pursuit of cognition. The task for scientific research is to master objective laws, going from the realm of inevitability to the realm of freedom.

The reason why freedom is needed in academic activities is that only in a free environment will it be possible for people to go in for such creative labor as scientific research and for them to genuinely make bold explorations and to score accomplishments.

Academic freedom based on the four cardinal principles, within the realm of the Constitution and law, should not be restricted. There should not be any forbidden areas in academic activities. Anything that belongs to science can be under research and any question can be under discussion. Academic activities themselves should not be restricted. Any citizen may go in for research freely and study whatever issue as he wishes, and no intervention should be imposed on him. The development of an academic school should not be restricted either, and all schools of thought may freely air their own views and participate in free discussions.

To genuinely achieve academic freedom and to implement the principle of allowing a hundred schools of thought to contend, it is also necessary to promote an attitude of equality in discussions. Opinions different from others or regarded as erroneous may be criticized, but the target may also counter-criticize. Everyone is on equal footing and has the freedom to air his own views. The practice of criticizing others, yet forbidding counter-criticism and restricting others' freedom, is not acceptable under the Constitution.

Academic freedom is the basic right of every citizen, which need not be begged for by anyone. Academic freedom will not be restricted so long as it is within the realm of the Constitution and law. Academic freedom should not be restricted by anybody or oneself, nor should anybody restrict the academic freedom of other people. No leading member should restrict the academic freedom of his subordinates; neither should his subordinates restrict his academic freedom. It is significant that sometimes the overdue "respect" shown some leading members may also become a kind of restriction which restricts the academic freedom of both the leadership and one's subordinates. If "every sentence is truth," does the leading member dare air his view at ease? Will the masses dare air different views? On academic questions, leading members must become one of the masses, participate in discussions on equal footing, and play an exemplary role in implementing academic freedom.

Behavior Impeding the Freedom of Academic Activities Must Be Sanctioned

In order to implement the principle of allowing a hundred schools of thought to contend, to bring forward academic democracy, and to develop academic freedom, corresponding laws are needed.

For a long time, the rule by man has been implemented in China's academic circles. Under the condition of rule by man, academic issues are often dependent on the opinions of leading members, and the promotion or removal of cadres on the personal preference of leading members.

Rule by man is the fountainhead of some abnormal and unhealthy phenomena in academic circles. It has, to a certain degree, injured academic democracy and academic freedom and impeded the flourishing and development of academic activities during the new historical stage.

Only by substituting the rule by law for the rule of man, drawing up necessary laws so that everybody has a law to abide by, and affixing responsibility to those who have violated the law will it be possible to ensure academic democracy and academic freedom. Those behaviors violating academic democracy and impeding academic freedom will not be sanctioned by law, allowing academic activities to flourish and become favorable to the health development of academic circles.

As mentioned above, freedom of academic research and freedom of speech, the press, assembly, and association have all been stipulated in the Constitution. However, although the Constitution is the one major law of the state, it cannot include every specific right of the citizen's academic activities in detail; therefore, various specific laws should be drawn up as supplements. For example, there should be news laws, press laws, copyright laws, laws on invention, and laws on social (academic) organizations. These laws may stipulate the rights of the citizen and measures for implementation, as well as clauses concerning the restrictions and sanction on those behaviors violating the law. These will be carried out by the state organs. With these specific laws, people will have something to abide by in carrying out academic activities.

Observing the law and discipline is the right and obligation of every citizen. No one, whether he is a leading member or a subordinate, should violate the law and discipline. Everyone is equal before the law. Only then will the ensurance of academic democracy and academic freedom be possible.

The significance of rule by law in the academic field also lies in its being favorable to improving the administration of academic undertakings. The mere existence of a Constitution without a series of specific laws does not help matters much, and it will be rather difficult to do a good job in the administration of academic undertakings without a law on academic work. Under such circumstances, problems are solved only by relying on certain policies and resolutions, or on rules and regulations. However, policies are often very flexible or not quite stable, and the difference between being lenient and strict does exist. In addition, the drawing up of resolutions, rules, and regulations is often based on the needs of some specific problems in some specific periods of time, and a specific policy displaying such needs cannot become the code of behavior to be universally followed by all members of society. The laws drawn up by the state are the expression of more mature policies. They are explicit, steady, and authoritative, and both their forms and contents are rather standardized and comparatively easier to carry out.

The implementation of the rule by law in the academic field aims to ensure academic democracy and academic freedom. It will help improve the state's leadership in academic work and is the necessary condition for implementing the principle of allowing a hundred schools of thought to contend, promoting the progress of science, and creating a new situation in academic development.

JINGJI RIBAO ON NEED FOR TENACITY IN REFORM

HK101346 Beijing JINGJI RIBAO in Chinese 5 Jun 86 p 1

[Commentator's article: "Tenacious Efforts Are Needed in Reform"]

[Text] The growing volume of appeals by directors and managers of enterprises of late has roused the attention of all sides. They have reflected the fact that the decision-making power of the enterprises has not been fully implemented, that a conventional measure of direct control is still binding the freedom of the enterprises, that the various relations within the enterprises are still not harmonious, and that the demarcation line between proper economic activities and unhealthy tendencies is not distinct enough, and that there are always so many human obstructions built up by the force of habit... complicated contradictions and multiple collisions have consumed much of their efforts. But once mistakes emerge in reform, or if they [the managers] commit some common faults, it brings about all kinds of censure and gossip, and some of them were even removed from office. As a result they feel wronged and the spirit of reform and blazing new trails of some of these directors and managers diminishes. Directors and managers are the very backbone of enterprises, and only when their mental state is healthy, will it be possible for the enterprise to be invigorated, and the reform to score successes. Therefore, we should like to air our views for your reference.

Our views may boil down to one sentence: Tenacious efforts are needed in reform.

The tenacious efforts referred to here chiefly means combining the passion for reform with a scientific spirit. We must have a full understanding of not only the necessity of reform, but also its complexity, arduousness, and protracted nature, and overcome the impetuosity which is relatively common at present.

People have a strong passion for reforms today, those vanguards of reforms in particular, and they always hope that those things impeding reforms can be eliminated as quickly as possible, and a tentative idea for reform can be smoothly realized. Although many of them understand that all contradictions and conflicts in the present work of reform basically originated from the condition of the coexistence of both the new and old economic structures, they have thought very little of just how long this condition will last and whether it will soon be over. And others believe that so long as they act as some heroes in works of literature and art, who have "a new broom that sweeps clean," final victory is theirs. But they never expected that things could be so difficult. Hence, the passion cools, when they have suffered some setbacks, and the "theory of quick success" is soon turned into a "theory of pessimism."

Here, we have a need to review a passage in Premier Zhao Ziyang's "Report on the Seventh 5-Year Plan": "In our current reform, the elimination of the old structure and building of the new can only be gradual and will take time to complete. Clearly, reform will be a step-by-step process." Premier Zhao has reminded us: Since the reform process is inevitably restricted by the given economic and social conditions and by a shortage of trained personnel, it will be impossible to fully realize all aspects of reform within the period of the Seventh 5-Year Plan. What we hope to achieve during these 5 years is to develop a general framework for a new economic structure.

In other words, even after the period of the Seventh 5-Year Plan, while considerable change will take place in some measure between the new and old economic structures, the old structure will not be totally eliminated. However, reform is China's second revolution; with the change in the economic base, changes will also take place in the superstructure including traditional concepts, habits, and the legal system, but the process of gradually suiting such changes to the people's ideology is inevitable, when different understandings emerge concerning problems arising in reform between relations representing different interests. All this has determined the inevitability of the arduousness, complexity and protracted nature of reform, when in its entire course, contradictions will not stop and collisions will continuously emerge. However, no matter how difficult and tortuous the road of reform is, the essence of the matter lies in the fact that China's economy will develop rapidly, and reform will gradually push forward. This is the dominant aspect, and collisions, the minor aspect. If we fail to see this, we will lose our courage to make progress and our tenacity to persist in reform.

Tenacity is based on earnest theoretical thinking, and at the same time, the specific action in practice. Regarding those directors and managers working on the forefront of reform, they must be mentally prepared at all times to experience setbacks, to come under attack, and even to be wronged. When such things happen, they should not be discouraged and disheartened; they must continue to maintain the dashing spirit of reformers and sum up experiences and lessons, while persisting in all that is favorable to reform. To achieve this, it is necessary to continue studying, to have a good grasp of the theoretical weapons, as well as the weapons of the law and management. Otherwise, one will fail to be bold and assured, not knowing how to answer and analyze some questions when one comes under certain censure and attack, lacking in the necessary ability of self-defense and "counter-attack," and as a result the so-called tenacious efforts will easily be lost in a complicated situation.

The requirement for tenacious efforts in reform is not only placed on directors or managers, but every one of us, leading members at all levels in particular. In fact, in the torrents of reform, both leading members and the masses are reformers, and the difference lies only in their positions, power and responsibilities. The understanding, support, help and protection from leading organs at a higher level for directors and managers, who are bent on reform, are external conditions of crucial importance for the smooth progress of reform in enterprises. Mistakes should be allowed in reform; this is because nobody has experience in reform, including the leadership. If something does not work, one may retreat and find some other way for progress. The practice of opening up to the world may bring in some bourgeois rubbish, but things will be all right once such rubbish is eliminated. A handful of elements violating the law may emerge in the course of invigorating the domestic economy, but all we have to do is handle their cases based on the law. By no means should we have doubts about reform or give way to impatience or make ill-advised moves because some problems have cropped up. Nor should we require every reformer to be spotlessly perfect. The higher-ups of, and comrades around the directors and managers should all the more actively support those people who are bent on reform, and protect those reformers who have some shortcomings and mistakes.

Those actions which gravely violate the law and discipline should of course, be dealt with gravely, but leniency should be shown to common mistakes or faults. So long as those who are involved have corrected these mistakes in earnest, we should not seize on them, totally repudiating their accomplishments, not being satisfied until they are removed from office. We should particularly guard against fault-finding in reform and reformers because one's own conventional concepts have been negated or one's own personal interests have been injured. Today, we already have a "dominant invigorating climate" to ensure the all-round unfolding of reform, but we are still in great need of a "congenial climate on a narrower scale," in which there is understanding, leniency and help for reformers. Only then will it be possible to simultaneously create a good economic, and social environment for economic reform, so that a smoother path may be opened up for the progress of reform.

CHINA DAILY VIEWS REFORM OF POLITICAL STRUCTURE

HK101032 Beijing CHINA DAILY in English 9 Jun 86 p 4

[By Huang Qing]

[Text] Recent developments seem to indicate that both the central leadership of the Chinese Communist Party and social scientists have become increasingly aware that some reform of the present political structure is inevitable in working out a socialist system with Chinese characteristics.

Talking with New Zealand Prime Minister Davis Lange in Beijing in March, Deng Xiaoping pointed out that all-round economic reform would involve many other fields -- politics, education, science and so forth.

Premier Zhao Ziyang, in his report to the National People's Congress on the Seventh Five-Year Plan (1986-90), called on the nation to better understand, among other things, changes in the administrative functions of government departments.

The premier said that since business management would change from mainly direct to mainly indirect, departmental functions would also change accordingly.

He emphasized that government economic departments should no longer devote all their energy to assigning quotas, approving construction projects and allotting funds and materials. Instead, they should be concerned with overall planning policy, implementation, organization and co-operation, economic regulation, inspection and supervision and provision of services.

Hu Qili, a younger leader of the Communist Party, announced on May Day that reforms would be made in the political as well as economic and cultural structures to build a high level of democracy and civilization in socialist China.

Hu stressed that socialist democracy and a socialist legal system must be promoted to ensure that the leadership of the government and the party would be able to meet the needs of socialist modernization.

Hu said on another occasion that current reforms would inevitably "shake" the political, economic and social foundations of Chinese life. They would bring unprecedented changes in people's lifestyles and ways of thinking.

PEOPLE'S DAILY said in a commentary that eliminating roadblocks in a way of economic reform, such as bureaucratism and the abuse of power for private gain, depended on reform of the political structure. It reiterated that "there will be no socialist modernization without socialist democracy."

Economic reform has proved on the one hand that many previous ideas about what a socialist society is should be updated, and on the other hand that the old style of administration, if not reformed correspondingly will do more harm than good.

Hu Qili said that when many problems arose as the new economic structure evolved, old ways of control were sometimes applied, keeping alive some remnants of the old, economic structure.

A WORKERS' DAILY article observed that reforms proclaimed in the past two years, such as breaking down barriers between businesses and delegating more decisionmaking power to firms, had actually become effective to only a limited extent. Now they must be rigorously enforced.

The article also said the economic reforms would be short-lived if some reform of the political structure was not carried out quickly.

A recent symposium in Beijing on political structure brought together more than 100 young social scientists. It was co-sponsored by the journals POLITICAL SCIENCE RESEARCH and SOCIAL SCIENCE, which are both affiliated with the Chinese Academy of Social Sciences.

The symposium focused on:

- Analysing the challenge that the economic reform presents to the political structure;
- Shortcomings in the present political structure;
- Guidelines for the political structural reform;
- Evaluation of policies adopted in recent years concerning political reform;
- Discussion of where reform should begin;
- Forecasting China's future political structure.

All agreed that the present drawbacks were insufficient participation by citizens in political activities and decisionmaking and insufficient checks and balances within the structure of state power.

Some noted that legislative and judicial supervision of administration needed to be strengthened.

Some recalled that Marx and Lenin had both said that leaders of proletarian power might become corrupted into masters instead of servants of their clans and that under such circumstances workers might often be betrayed. So if a fully developed socialist democratic system was still not fully operative, checks and balances were the best protection against errors in political leadership.

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CHINA
PRC NATIONAL AFFAIRS

There are many other signs of change on the horizon. In political science research, comprehensive studies are planned on such basic concepts as the state, the government and the party. Currently, experiments are under way in the adjustment of government functions in a few medium sized cities such as Changzhou and Weifang.

This year's No 1 Document of the Communist Party stipulates that the major task for administrative staff in rural areas "is to serve production and to serve farmers."

In Tianjin, more citizens are writing suggestions and offering advice to the municipal government, showing an increasing interest in participation in government affairs. Among the letters last year, 70 percent were about city planning and management, education and hygiene. To prepare future leaders, a number of competent young people have been promoted to leading positions at various levels in the last two years. The Chinese Academy of Sciences promotes personnel on the basis of established procedure for analysing ability.

Dongwan County, Guangdong Province, is adjusting the wages of township administrative staff according to their work records. An academic journal, Jiangnan Tribune, proposes a system that would make citizens' supervision of officials more strict.

BEIJING CATHOLICS PRAY FOR WORLD PEACE

OW080950 Beijing XINHUA in English 0932 GMT 8 Jun 86

[Text] Beijing, June 8 (XINHUA) -- More than 4,000 Beijing Catholics today prayed for world peace in Pehtang Catholic Cathedral, the city's largest Catholic Cathedral.

The prayer, jointly sponsored by the National Administrative Commission of the Chinese Catholic Church, the Chinese Catholic Bishops College, the Beijing Administrative Commission of the Chinese Catholic Church, and the Beijing Patriotic Catholic Association, was part of a national religious program to mark the "Year of Peace" of 1986 designated by the United Nations. At a session of the National Committee of the Chinese People's Political Consultative Conference in March, all members from religious circles jointly proposed a "prayer for the peace" in June by all China's religious groups to mark the international "Year of Peace."

FANG YI, WANG ZHAOGUO MEET WANG ZHEN AT AIRPORT

OW102035 Beijing Domestic Service in Mandarin 1100 GMT 10 Jun 86

[Text] A delegation from the China Association for International Friendly Contacts wound up goodwill visits to Singapore and Thailand and returned to Beijing on 10 June. The delegation was led by Wang Zhen, vice chairman of the Advisory Commission of the CPC Central Committee and honorary president of the China Association for International Friendly Contacts. The delegation was met at the airport by Fang Yi, Wang Zhaoguo, and other responsible persons of the departments concerned.

CONSERVATIONISTS URGE ATTENTION TO SOIL EROSION

HK060445 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 2

[Report by Chen Jian: "First Congress of China Society for Water and Soil Conservation Urges Attention to Loss of Water and Soil"]

[Text] At the recently concluded first congress of the China Society for Water and Soil Conservation, many specialists, professors, and water and soil conservationists called on the whole society to show greater concern for the serious problems of soil erosion, silt in our rivers, exhaustion of land fertility and deterioration of the ecological environment.

Ours is a country with many mountains and few forests, and is also the country with the most serious soil erosion in the world. A survey in the early 1950's proved that 1.5 million square kilometers -- about one-sixth -- of our territory suffered from soil erosion. Over the past 30 and more years, through the hard struggle of the people all over our country, we have controlled the soil erosion in some of these areas, but owing to various subjective and objective causes such as the frequent political movements and the increasingly serious imbalance between population and natural resources, there are still two-thirds of these areas where we have failed to effectively control soil erosion. New areas of soil erosion are continuing to emerge. The specialists pointed out: Our survey statistics show that the water erosion is growing quicker than the progress of our work to control it.

The Huang He, the cradle of the Chinese nation, carried 1.6 billion metric tons of silt a year over the past few years, ranking the first in the world and accounting for about 50 percent of the total volume of silt carried by all the rivers in the world in a year. Long ago, people abroad said: "What flows in the Huang He is not silt but the blood of the Chinese nation." The Chang Jiang carries 500 million metric tons of silt a year, more than double that of 1958. It has already become one of the four rivers with the largest volumes of silt in the world. Problems of soil erosion and silt are also serious in the Hai He and Zhu Jiang valleys. Even in southern China where mountains are green and river water is clean, soil erosion is getting worse. In Fujian Province, the number of counties that suffer from soil erosion has risen from 22 to 43. In Jiangxi Province, the area of soil erosion accounted for 5.3 percent of the total area of land in 1953, but this percentage has risen to 24 percent now. The area of soil erosion reaches over 10,000 square kilometers in Jiangsu Province. In northwest China, where there has been long-standing soil erosion, land reclamation continues everywhere, but soil erosion does not improve despite the efforts to control it. Owing to the serious soil erosion, Shaanxi Province loses 100 million cubic meters of reservoir capacity a year. If this is allowed to develop unchecked, silt will wipe out all the province's reservoir capacity in 40 years or so. The extension of gullies alone causes Ningxia's Guyuan County to lose over 5,000 mu of farmland a year. In Qinghai Province 2 million mu of land becomes desert every year. Soil erosion cannot be ignored in eastern China either, including Shandong. Every year, water washes away 0.30 meters of soil on the surface of about 1 million mu of land in Shandong. The specialists said that we cannot live on the legacy of our forefathers and leave disasters to posterity. People abroad sounded the alarm long ago: There is only one earth. We should be clear that there is only one China!

We should cherish China, but we should not pit development against preservation. In fact, preservation is the foundation of development. Professor Guan Junwei, a well-known water conservationist, called on us, saying: If a country like ours, which suffers seriously from soil erosion and which has a large population and relatively poor production foundation and conditions, can rouse its entire community to show concern for water erosion, do a good job of water conservation, and establish a fine ecological environment while overcoming poverty and becoming rich, it will make a great contribution to world progress.

Commentator's Article

HK060501 Beijing RENMIN RIBAO in Chinese 4 Jun 86 p 2

[Commentator's article: "Another Alarm"]

[Text] Water and soil conservation is an issue vital to the safety of our country and the prosperity of our nation. The report published by this newspaper today entitled "First Congress of China Society of Water and Soil Conservation Urges Attention to Loss of Water and Soil" sounds another alarm about this to our people.

Owing to China's prolonged history of farming and cultivation and owing to frequent turmoil and the chaos of war and changes in land ownership, soil erosion has always been a great problem. Now the development of the commodity economy is speeding up daily and thus aggravating the contradiction between population and resources each day. The leading groups at all levels must pay close attention to soil erosion and adopt more and better methods to overcome it. Since the founding of the PRC, the CPC and the government have always paid attention to the work related to water and soil conservation. By the end of last year, we had already initially overcome soil erosion on one-third of the area in our country which had suffered from soil erosion in the past. The scale of our work of water and soil conservation and the achievements that we have scored in rousing the masses of people to find ways to overcome soil erosion have attracted world attention. However, in view of the scale and harm of soil erosion, China remains the country that suffers most seriously from soil erosion in the world. The pace of our work to overcome soil erosion has not yet been quicker than the pace of the deterioration of soil erosion. Serious soil erosion, destruction of water and soil resources, exhaustion of land fertility, and deterioration of the ecological environment have already become obstacles and latent problems in our country's economic development, in particular the economic development in our mountainous and poor areas. We should by no means overlook this.

Water and soil conservation is very scientific, comprehensive, and practical work. It is greatly restricted by our policies, law, and regulations and the economic laws. Therefore, it is not easy to do this work well. This magnificent engineering project demands the conscientious efforts of all sectors of our community. We should not regard it as too simple a task, nor should we regard it as a task for our government only. We should regard water and soil conservation as a great task for the whole community to grasp with an attitude of responsibility for the state and for our posterity. All areas and departments should see what they can do in water and soil conservation and how they can do it more soundly and better.

Over the past few years, the system of assigning peasant households contracted all-round responsibility for overcoming soil erosion in small river valleys has been implemented in many areas. This system has provided a relatively satisfactory solution for the long-standing problems in the work to overcome soil erosion being separated from the work of managing and using water and soil conservation facilities and of responsibility, power, and interest being separated from one another. This has vigorously proved that when policy and science and technology are satisfactorily combined, there will be boundless vitality. Only by arousing the masses' enthusiasm and making them think and work jointly can we actually do a good job in water and soil conservation. All areas should continue to sum up and perfect their experience in this sphere and earnestly grasp the work in the light of local reality in order to score achievements.

OVERSEAS LABOR SERVICES BODY ESTABLISHED

HK090349 Beijing CHINA DAILY in English 9 Jun 86 p 2

[By staff reporter]

[Text] The first national labour services organization supplying Chinese workers for commercial and cultural projects abroad has been set up in Beijing.

The China International Labour Cooperation Corporation will also handle requests for workers in industry, communications, construction, agriculture and animal husbandry in addition to supplying clerks for banks and insurance companies and employees for foreign governments.

In accordance with government agreements or through direct cooperation with Chinese companies, the corporation will also undertake joint venture projects abroad, a corporation official said.

The corporation ensures that the people sent abroad meet the requirements of receiving countries in terms of qualifications, numbers and time.

It also guarantees that China workers will abide by the laws and regulations, and respect the customs of the countries they work in, the official said.

China now has more than 60 specified companies exporting labour abroad, and by the end of 1985 more than 170,000 Chinese had been hired by industrial construction projects in foreign countries.

TOURISM WORKERS WARNED NOT TO TAKE TIPS

OW061813 Beijing XINHUA in English 1500 GMT 6 Jun 86

[Excerpts] Beijing, June 6 (XINHUA) -- Workers in the Chinese tourism industry who accept tips from foreign visitors will be punished, an official of the National Tourism Administration said here today.

The official, Shen Shoujun, was replying to a question at a press conference.

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A foreign reporter said that tipping seemed to have become more common in southern China. But Shen said this was not official policy, and that anyone caught accepting tips would face serious consequences. Shen gave the press conference up-to-date information about the development of tourism in China. The spokesman said that priority was being given to renovating and providing facilities at tourist attractions with an international reputation.

Shen said many new tourist hotels were under construction or were planned in major tourist cities, including Beijing, Shanghai, Xian and Guilin.

In Beijing, 80 hotels with a total of 60,000 beds were in the pipeline. Thirty were under way or in the course of preparations in Shanghai, and negotiations were being held concerning another 30.

In a bid to improve the running of existing hotels, measures were being taken to give more decision-making powers to hotel managements, and to set standards of service.

Shen added that hotels would soon be graded, with prices fixed according to grades.

YU QIULI MEETS MERITORIOUS FIGHTER, WIFE

OW082345 Beijing XINHUA Domestic Service in Chinese 1045 GMT 8 Jun 86

["She Loves the Fighter's Lofty Character -- Yu Qiuli Meets Meritorious Fighter Zhan Yaping and His Wife -- by XINHUA reporters Liu Huinian and Jie Yanzhen" -- XINHUA headline]

[Excerpts] Hangzhou, 8 Jun (XINHUA) -- The place was on the bank of Xizi Hu, and the time was the morning of 7 June when Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the General Political Department, was calling on a recuperating meritorious fighter by the name of Zhan Yaping and his wife Xu Xiulan.

Zhan Yaping was badly injured in a defensive battle against the Vietnamese aggression in Laoshan. After the amputation of most of his both legs and his left arm, he is still living and applying himself to study with an indomitable spirit. Yu Qiuli has, on many occasions, praised him as a "hard-core fighter." Of late, Xu Xiulan, a girl of good moral character from Wuxian County of Suzhou city, was married to Zhan Yaping. On learning of this, Yu Qiuli was so delighted that he paid a visit to the couple to congratulate the beginning of their new life.

At the gate of the barracks, Zhan Yaping, who had lost both of his legs and his left arm, sat in a specially designed wheelchair. Dressed in uniform and wearing a medal on the chest signifying his military exploits, he looked spirited, zealous, and cheerful. He was respectfully waiting for the arrival of the leaders of the General Political Department. Standing by his side was his young wife. She was of medium height. With her hair cut short and wearing a milky-white dacron blouse, she looked simple and graceful. Yu Qiuli warmly shook hands with the couple and extended regards to them. He said to Zhan Yaping: "It was your honor to get injured for the sake of the people." Turning to Xu Xiulan, he said: "What you love is that lofty character of our fighters." Then, he said: Both of you are the most lovable people and the models for young people of the 1980's to emulate."

Yu Qiuli sat with them and, with deep concern, inquired about their everyday life. He also had lunch with them and wrote an inscription for them. The inscription read: "He became physically handicapped but remains firm in his will to serve the people. She loves the lofty character of this fighter."

Last July SUZHOU BAO carried this news report: In a battle on the Laoshan frontline, Zhan Yaping, a fighter from Suzhou, was wounded in both legs and his left arm by an enemy shell. Now only his right arm remains, but the index and middle fingers have become functionless. Xu Xiulan, a young female worker, who was then 23, was deeply moved by this heroic deed. She went to her mother with the newspaper in hand and said in a lovely and innocent tone: "Mother, did you see this? What a lovable fighter!" That night, she couldn't sleep. She privately decided to dedicate her love to this heroic fighter and spend her lifetime looking after him.

With her parents' support, Xu Xiulan was married to Zhan Yaping. Their wedding took place in the hospital on 27 January this year.

All this deeply moved the old military leader, who spent over half of his life in the Army. Yu Qiuli said to Xu Xiulan: You are a good daughter of the Chinese nation. You are a very good young woman with the communist ideal and moral integrity. At this moment, Wang Fang, secretary of the Zhejiang Provincial CPC Committee, who accompanied Yu Qiuli on the visit, said: "Xu Xiulan is an example for young people in Zhejiang to follow." And Guo Linxiang, deputy director of the General Political Department, said to Zhan Yaping: "It must make you very happy to have such a good wife."

HU QIAOMU VISITS TELEVISED SPEECH CONTEST

OW091348 Shanghai City Service in Mandarin 0000 GMT 9 Jun 86

[Text] Comrade Hu Qiaomu, member of the CPC Central Committee Political Bureau, visited the Shanghai television station studio on the afternoon of 8 June. He watched with keen interest the finals of the second televised Mandarin speech contest on the beauty of language expressing the love of the motherland.

At the end of the contest, Comrade Hu Qiaomu said with delight: This Mandarin speech contest is a tremendous creation, which extols the programs staged; gives expression to the beauty of language, form, and style; and shows Shanghai's great progress in popularizing the Mandarin language. Comrade Hu Qiaomu stated: In such a lively manner, the work of popularizing Mandarin and the construction of Shanghai's spiritual civilization as a whole have been promoted.

Comrade Hu Qiaomu enthusiastically shook hands with the workers, teachers, middle and primary school students, engineers, and comrades of ethnic minorities who participated in the contest, and thanked them for their valuable efforts in popularizing Mandarin and beautifying the motherland's language.

FUJIAN GOVERNOR DISCUSSES FOREIGN EXCHANGE, TRADE

OW091115 Fuzhou FUJIAN RIBAO in Chinese 16 May 86 p 2

[Text] In his report at the fifth session of the sixth provincial People's Congress, Governor Hu Ping discussed matters concerning foreign economic exchange and Overseas Chinese.

He said: Developing foreign trade and increasing foreign exchange earnings through exports are vital to overall economic development; they constitute a long-term task in Fujian's economic construction. The draft Seventh 5-Year Plan gives priority to increasing foreign economic relations and trade, as well as increasing export-generated foreign exchange. It calls for a substantial growth in the total export volume, for a growth rate higher than that of industrial and agricultural output. In the meantime, it is necessary to vigorously develop tourism, foreign contracted projects, and labor service cooperation.

Hu Ping continued: It is necessary to readjust the production system and product mix of export commodities in accordance with the needs of the international market; to energetically develop new export commodities, gradually switching from exporting primary agricultural products, sideline goods, special indigenous commodities, and intermediary products, to exporting processed, intermediate products, and from primarily exporting small quantities of inexpensive goods to exporting large quantities of staple products; and to establish a production system for export commodities singular to Fujian.

Efforts should be made to reinforce the foundations of foreign economic relations and trade, open up new international markets, and enlarge overseas sales and service networks. It is essential to conscientiously implement policies aimed at encouraging exports and to galvanize enterprises into developing export commodities. To increase export-generated foreign exchange and improve solvency, it is necessary to properly expand the scale of utilizing foreign funds and importing technology, and to concentrate on energy, communications, and other infrastructural projects, on the construction of raw and semifinished materials industries, and on the technological transformation of the light industry, the chemical industry, agriculture, the machine-building industry, and the electronics industry. Based on the practice of summing up experience, we should actively open up all channels to bring in Overseas Chinese and foreign capital, continue to take part in international financial activities, seek medium and long-term preferential foreign loans, issue overseas bonds, and plan investments in export-oriented, technology-intensive, and developmental projects on a priority basis, in order to enhance socio-economic results in bringing in Overseas Chinese and foreign funds.

It is essential to achieve a major breakthrough in building the Xiamen Special Economic Zone, conduct systematic investigation into the practical implementation of free-port policies, and further bring out its functions as a technological, management, information, and foreign policy window and its central role as a hub in both domestic and foreign economic affairs. Construction of the Fuzhou open city, the Mawei economic and technological development zone, and the triangular open zone in southern Fujian, should be expedited.

Hu Ping said that Overseas Chinese affairs have always been one of Fujian's principal tasks, and that its unique role in this work has become more marked following the implementation of the open policy.

During the Seventh 5-Year Plan, we should devote ourselves to increasing contacts with Overseas Chinese of all walks of life, ardently and cordially work to ensure success of all types of undertakings serving Overseas Chinese, and bring about a new situation. It is necessary to integrate Overseas Chinese affairs with economic work. In attracting Overseas Chinese participation in hometown economic construction, it is necessary to maintain the principle of mutual benefit, provide a fine environment and preferential conditions, and resolve to make existing enterprises funded by Overseas Chinese successful. Success in Overseas Chinese affairs work hinges on domestic efforts.

It is essential to conscientiously implement the various policies toward Overseas Chinese and, in particular, to persist in implementing them. Full support should be given by all quarters to the construction of Overseas Chinese towns, and concern should be shown for returned Overseas Chinese and their dependents. It is necessary to help financially strapped returned Overseas Chinese eliminate poverty and achieve prosperity in the same way we do in old revolutionary bases and ethnic minority areas.

We should actively reform the economic structure of Overseas Chinese farms, enlarge the decision-making powers of these farms, and vigorously improve their economic efficiency. As a comprehensive and constructive task, governments at all levels should place Overseas Chinese affairs work on their main agenda, and all departments should show concern for and lend support to the work.

In the meantime, social forces in all sectors should be mobilized to take part in the task, and departments in charge of Overseas Chinese affairs should step up their own construction, effectively improve their ideological and work styles, and dedicate themselves to serving Overseas Chinese.

RUI XINGWEN ATTENDS SHANGHAI LEGAL AFFAIRS LECTURE

OW080758 Shanghai City Service in Mandarin 0000 GMT 8 Jun 86

[Excerpts] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, went to the legal affairs lecture hall yesterday morning where, sitting in the front row, he and more than 100 other responsible comrades attentively listened to the lecture.

The lecture on attorney and notary systems, given by (Wang Wenzheng), deputy director of the Judicial Bureau, was the last in the current series.

The 2-month long lecture series was sponsored by the municipal party committee for leading cadres to study legal knowledge. Its participants included leading comrades of the municipal party committee, municipal Advisory Commission, Standing Committee of the municipal People's Congress, municipal government, municipal CPPCC Committee, and municipal Discipline Inspection Commission and the responsible persons of various municipal departments, commissions, and offices.

When the nearly 2 hours long lecture was over, Wu Bangguo, deputy secretary of the municipal CPC Committee, made a summing up speech. He hoped that leading cadres at all levels will make still better efforts to take the lead in studying legal knowledge and strengthening their concept of the legal system, strive to be models in enforcing and applying the law and pay good attention to propagating the legal system and educating people in this respect. He also announced that all participants in the lecture will take an examination.

SHANGHAI CRACKS DOWN ON ECONOMIC CRIMES

HK070722 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1322 GMT 6 Jun 86

[Report: "Shanghai Pays Attention to Cracking Down on Economic Crimes" -- ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 6 Jun (ZHONGGUO XINWEN SHE) -- Today, the Shanghai Municipal Intermediate People's Court opened a court session to announce the sentences for 12 offenders of economic crimes, including Hua Zidong [5478 1311 2639], passed at first trials.

Between January and March this year, Shanghai placed more than 500 cases of criminal economic activities on file for investigation. Of this, 80 percent took place last year. Only 6 percent of these cases took place in the first quarter of this year.

Analyzing these cases, Yao Genglin [1202 6342 7792], president of the Shanghai Municipal Intermediate People's Court told a ZHONGGUO XINWEN SHE reporter that: Judging by the cases taking place in Shanghai over the past 2 years, it can be seen that fraud cases involving the use of forged contracts are quite a serious problem and that the amounts of money involved are becoming larger and larger. Second, many newly established "firms" and "centers" have gone beyond the bounds of their operation by taking part in speculation. In addition, many enterprises and institutions have taken part in profiteering activities in an attempt to make money.

Yao Genglin said: While protecting legal economic activities, Shanghai's judicial departments will severely crack down on economic crimes in accordance with the law.

SHANGHAI ORGANIZES NEW SEX EDUCATION SOCIETY

OW060552 Beijing XINHUA in English 0532 GMT 6 Jun 86

[Text] Shanghai, June 6 (XINHUA) -- The city of Shanghai has organized a sex education society to promote sex and family planning education among its residents. So far, 40 experts in genetics, urology, gynecology, education and family planning have agreed to participate in the programs of the society set up yesterday.

Huang Yongkui, chairman of the new group, said the society will provide information to single as well as married people. "We'll promote research and gather information from scholars in other countries, and popularize the results," he said. "In general, we'll try to help improve relations between the sexes."

Shanghai has experience in sex education. The city has conducted information sessions on puberty in almost 100 of its middle schools.

In 1985, the city's family planning department organized a series of lectures on sex education that attracted 180 health researchers and officials from throughout China.

The city has also been encouraging work units to offer special information seminars for newlyweds. And it has sponsored publication and distribution of books, newspapers and magazines to popularize knowledge about birth control and sex.

GUANGDONG: SHENZHEN TARGETS FOR INTRODUCING FOREIGN CAPITAL

HK040735 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1351 GMT 3 Jun 86

[Report by Zhan Moujun]

[Text] Shenzhen, 3 Jun (ZHONGGUO XINWEN SHE) -- Shenzhen's industrial goal during the Seventh 5-Year Plan period is to introduce \$1.5 billion foreign capital, make total industrial output value reach 7 billion yuan, at an annual progressive rate of increase of 22 percent, and strive to realize a balance and a surplus in foreign exchange.

Today, Qu Hua, deputy secretary-general of the Shenzhen City people's government and deputy director of the Shenzhen City Industrial Development Commission, gave an outline of Shenzhen's industrial development goals at a symposium on the development experiences in the Asia-Pacific region held in Shenzhen and attended by representatives of 12 countries such as Bangladesh, India, Indonesia, Thailand, and so on. Qu Hua pointed out that from 1979 to 1985, Shenzhen set up 622 projects run jointly by Chinese and foreign businessmen or owned solely by foreign businessmen, involving a total agreed capital of HK\$8.27 billion, of which HK\$2.96 billion has been put into practical use. Of these, there are 127 projects with a total investment of over HK\$10 million. At present, the 193 established enterprises which are jointly owned by Chinese and foreign businessmen or owned solely by foreign businessmen are all running very well, and 85 percent of them have made a profit. As the turnover period is short, investors' confidence has been inspired.

Qu Hua noted that in the future Shenzhen will continue to give priority to the development of the electronics, chemical, light, textile, new-type materials, and precision engineering industries. Qu Hua is optimistic about the prospects for introducing foreign capital to carry out international economic and technological cooperation. Since one of the important conditions is its adjacency to Hong Kong. By making use of Hong Kong's favorable conditions as a center of international trade and finance, information, and shipping, and as a free port with which to integrate the preferential investment policy of the Shenzhen Special Economic Zone; constantly improving the investment environment of Shenzhen to absorb the international capital in Hong Kong; and making use of Hong Kong's industries, convenient transportation conditions, up-to-date and accurate information, and numerous international trade channels, the development of Shenzhen's outward-type economy can be promoted.

GUANGDONG: GUANGZHOU ECONOMIC ZONE DEVELOPMENT SUCCESSFUL

OW100600 Beijing XINHUA in English 0544 GMT 10 Jun 86

[Text] Beijing, June 10 (XINHUA) -- The Guangzhou Economic and Technical Development Zone in Guangdong Province has exported industrial goods worth 1.1 million U.S. dollars over the past two years, the INTERNATIONAL BUSINESS semi-weekly reported. Founded at the end of 1984, the zone has concluded 39 contracts and agreements involving an investment of 240 million yuan (75 million U.S. dollars), including 50 million U.S. dollars in foreign funds. Twelve businesses have gone into production in the zone so far including Sino-foreign joint ventures, Sino-foreign cooperative enterprises and businesses between Guangdong and other parts of the country. The paper attributed the success of the zone to starting production projects with less investment and quick economic result and getting support from Guangzhou City. While building workshops and infrastructure facilities, the zone began production by using the city facilities.

GUANGDONG TO TIGHTEN IMPORT/EXPORT INSPECTIONS

OW090612 Beijing XINHUA in English 0547 GMT 9 Jun 86

[Text] Beijing, June 9 (XINHUA) -- Guangdong will step up inspections and begin fining violators July 1 in line with the province's new regulations. According to the provincial Commodity Inspection Bureau, all imports and exports have to go through inspection procedures and a fine up to 20 percent of the value of the goods involved will be imposed on violators. The new regulations require all enterprises involved in foreign trade to register with their local inspection bureaus. For vegetable exporters, this also means full disclosure of pesticide use.

According to the Guangdong Inspection Bureau, 20 percent of all imports arrive damaged or are otherwise unacceptable. Because some enterprises fail to examine the goods promptly, it said, they lose their rights to compensation -- and so end up paying for imports that cannot be used.

HUBEI MEETING ADVOCATES REVIEW OF CADRE SELECTION

HK070513 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 6 Jun 86

[Excerpts] A recently convened provincial meeting of heads of organization departments of prefectures and cities reviewed the selection and employment of cadres in recent years, in light of the CPC Central Committee's circular on strictly acting according to party principles in this work. The meeting also made arrangements for future work.

Liu Qizhi, member of the Standing Committee of the provincial CPC Committee and director of the Organization Department, said: In recent years the great majority of party organizations in Hubei have observed party principles and selected and employed cadres in accordance with the guidelines on the four transformations of cadres proposed by the CPC Central Committee and the criterion of ability and political integrity. Relatively good achievements have been scored and the general situation is good.

However, the problems pointed out in the central document also exist in our province. Although these problems only involve a few people, they have a very bad impact and must be resolutely corrected and prevented. The review in the previous period was not thorough enough. We must make efforts in the following respects in the next stage:

1. Further study the relevant documents of the central and provincial CPC committees and truly appreciate their spirit. We must regularly educate leading cadres on appointing people to posts on their merits, not on the strength of acquaintances. We must implement the party principles in a model way in employing people.

2. Get a thoroughly good grasp of the review. We must take stock of the selection and employment of cadres since 1983. In this we must focus on whether they have made illicit use of relationships, entered by the back door, interceded for people, and abused their powers. We must also see whether they dare not withstand unhealthy trends and have abandoned principles. We must also see whether they have taken effective steps to actively correct and prevent unhealthy trends. In particular, we must be bold in exposing leading cadres. Those who are seriously in question must be promptly investigated and dealt with.

HEBEI RURAL PARTY RECTIFICATION PROGRESS REVIEWED

OW101341 Beijing XINHUA Domestic Service in Chinese 0815 GMT 6 Jun 86

[Text] Shijiazhuang, 6 Jun (XINHUA) -- According to a sampling investigation of the situation in party rectification conducted recently by the Hebei Provincial CPC Committee in 90 villages of 26 townships in Shijiazhuang, Handan, Baoding, Huailai, Wanxian, Zhuoxian, and Zaoqiang, the rectification of party organizations in these cities and counties has been developing soundly with remarkable results. Approximately 90 percent of the villages have been fairly successful in rectifying their party organizations; they have successfully resolved a number of issues which normally could barely be resolved over a period of several months in the past. This means that only about 10 percent of the villages have performed poorly or perfunctorily.

In the course of rectifying party organizations, the rural areas have earnestly settled and corrected certain serious problems among some party member-cadres who were seeking personal gains by misusing their authority, causing strong dissatisfaction among the masses. Such irregularities as embezzling collective property, defaulting payments of public funds, winning contracts by misusing authority, occupying more land for building private homes, lavishing money on food and drinks, and so forth, have been basically halted. Noticeable changes have taken place in some villages which had longstanding problems as well as in some problem-ridden village party branches.

For example, several members of Zhuoxian County's Tangdoudian village party branch all had problems in handling economic matters. In the course of party rectification, they seriously examined their mistakes and returned the property they had embezzled. Of the 100 or so party members of Shenbei village in Wanxian County, 11 had been secretaries and 47 had been members of the village party branch. Influenced by factionalist and clannish ideas, there used to be deep grudges between party member-cadres and party members.

In the course of party rectification and study of the relevant documents, higher party organizations helped the villagers and party members properly evaluate the merits and demerits of members of the various party branches of the village, draw lessons, distinguish between right and wrong, and unify their understanding, thus promoting inner-party unity and forging closer ties between party members and the masses. Those comrades who used to attack one another began to realize their own mistakes and made self-criticisms.

Later, everybody worked together to study how to become affluent and, led by the party member-cadres, they volunteered their services and built a 37 mu fish breeding pond. Because some party members in Zaoqiang County's Hongwu village did not want to become cadres, the village had no party branch and no electricity, water supply, or school for 6 years. The villagers had to fetch their drinking water from the county seat, and their children had to attend school in another village. Following party rectification, a party branch was set up in the village. A plan for eradicating poverty was drawn up, and projects for utilizing electricity, building water wells, and building a school were launched.

Thanks to the education provided by party rectification, all party members, including those who are also cadres, have greatly heightened their understanding of the party's fundamental objectives. They have come to understand that, during the new period, their main duty is to lead the masses to develop production and to work hard to become affluent.

Despite the adoption of a household-based contract system of linking payments with output, over the past several years many party members and party member-cadres did not know what the party branch should do, nor how they could play an exemplary vanguard role. Thanks to party rectification, they know now what to do.

Zhang Jiaming, secretary of the party branch of Shijianfang village in Wenan County, purchased a tractor and set up his own business 2 years ago, paying no attention to his work as village party branch secretary. During party rectification, he was helped in learning whether or not he had served the people. He realized that, as secretary of the village party branch, he should not have pursued personal prosperity without paying attention to village affairs. Then, after discussions with the villagers, they promptly set up a plastic plant and organized service teams, and accepted a contract for processing tarpaulins for another locality. The masses said happily: "Our 'locomotive' Zhang Jiaming is moving ahead at full speed again."

After fulfilling a collective contract, Zhang Lianxiu, secretary of the Shantouzhuang village party branch in Fengrun County, felt that being a cadre was a thankless, tiring, and restrictive job, and wanted to quit. At a meeting of the party branch, he proposed a rule: "Instead of looking for work ourselves, let work look for us." After being educated during party rectification on what was the party's fundamental objective, he realized that the reason why he had become so disinterested was because he had thought much more about himself than about the masses. Now, under a 3-year development plan he has drawn up for the village, he is leading the villagers to build a school, expand their orchards, and reorganize a collectively-run marble factory -- projects that are fully supported by the villagers. The villagers said: "Party rectification has reinvigorated Zhang Lianxiu's enthusiasm to create a better life."

In the course of rectifying village-level party organizations, party members in many villages have taken the lead in repairing roads and bridges, planting trees, sinking wells, and other projects which are beneficial to the masses. In the rural areas of Shijiazhuang Prefecture, some 820 party members have now either transferred their profitable businesses to impoverished families or have started operating their profitable businesses jointly with those families. The masses say that they now know who are party members and who are not.

Yu Fengshan is an economically-minded, honest, and helpful young peasant of Shangzhuangzi village in Yongqing County. Because he saw that some party members in his village "never acted like party members," he did not apply for party membership for a long time. During the course of party rectification, he was deeply moved by the performance of party members who took the initiative in repairing water wells, building brick kilns, helping impoverished families develop sideline occupations, and braving bitter cold to salvage collective property from the bottom of some wells. Last April, he submitted his application to the village party branch and requested to be allowed to join the party.

SHANXI: YANGQUAN CRACKS CASE OF ECONOMIC ANOMALIES

HK271424 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 26 May 86

[Excerpts] The case of the Yangquan City economic and technological development general company has been thoroughly investigated and properly dealt with.

With the approval of the Central Discipline Inspection Commission, the provincial CPC Committee and the provincial Discipline Inspection Commission have decided after discussions to give an inner-party disciplinary warning to a former deputy secretary of the Yangquan City CPC Committee who concurrently held the posts of city mayor and chairman of the board of directors of the city economic and technological development general company. Before this, the Yangquan City Discipline Inspection Commission decided to dispel (Zhao Anlin), vice chairman of the board of directors and general manager of the company from the party. He has been verified as a person of the three categories, and it was suggested that he be given serious administrative punishment. The city Discipline Inspection Commission also decided to give a serious inner-party disciplinary warning to (Zhang Wanjin), deputy general manager of the company.

On 23 May, the city held a meeting on straightening out party style and summing up experiences in running the city economic and technological development general company. (Gu Zhengxi), secretary of the city CPC Committee, and Comrade (Guang Min), deputy secretary of the city CPC Committee and city mayor, spoke. Comrade Zhang Bangying, Standing Committee member of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission delivered a speech at the meeting.

The investigation shows that the case of the Yangquan City economic and technological development general company is one in which leading party and government comrades had a hand in illegally running the enterprise by violating the spirit of the relevant central documents, and as a result of some people of the three categories, taking advantage of reforms. In October 1984, former members of the Yangquan City government, out of desire for invigorating the economy and doing some good things for the people of the city, decided to set up the Yangquan City economic and technological development general company. However, in the course of forming the company, more than 40 leading cadres above the county level joined the board of directors of the company, which runs counter to the relevant regulations of the central authorities. The former city mayor assumed the post of chairman of the board of directors. When the central leadership issued a relevant circular, they failed to act immediately upon it. In business operations, the company failed to conduct serious and meticulous investigation and developed some impractical projects, thus putting the company in a predicament and inflicting heavy economic losses to the state. Worse, the company failed to select and employ cadres in accordance with the four requirements for cadres. As a result, (Zhao Anlin), a person of the three categories, assumed the post of general manager of the company. By taking advantage of reforms, he seriously engaged in malpractices, defaming reforms.

After giving his opinions on investigating the case and speaking on the bitter lesson that should be drawn from the case, Comrade Zhang Bangyin put forth five suggestions for properly improving party style at present: 1) More efforts should be made to investigate and handle major and important cases. 2) It is necessary to correct sectoral malpractices in connection with the characteristics of all trades and fronts and to enforce discipline in an all-round way. 3) We must adhere to the approach of seeking truth from facts and strictly implement the party's policies. 4) Leading cadres at all levels must set a good example in straightening out party style. 5) It is essential to strengthen leadership over the work.

In conclusion, Comrade Zhang Bangying said that CPC committees at all levels must actively support the work done by discipline inspection committees and do their utmost to help them solve practical problems, so as to improve the province's party style as soon as possible.

NINGXIA WORK CONFERENCE EXAMINES ECONOMIC REFORM

HK041446 Yinchuan NINGXIA RIBAO in Chinese 21 May 86 p 1

[Report: "Hei Boli's Report on the Regional Work Conference on Reform of the Economic Structure in Cities"]

[Text] On 19 May, the regional CPC Committee and regional people's government convened in Yinchuan the first regional work conference on economic structural reform in cities. The main purpose of the conference is to summarize the situation of the region's development of economic structural reform in cities over the years and to work out plans for this year's reform tasks while emphatically studying the issue of developing lateral economic ties. At the session held on 20 May, Hei Boli, chairman of the region, delivered a report entitled "Correctly Understand the Situation; Continue To Promote Reform."

When talking about the region's situation of economic structural reform in cities, Chairman Hei Boli pointed out: Following the 3d Plenary Session of the 11th CPC Central Committee, we began exploring and conducting urban reforms in experimental units, while gradually carrying out rural reforms. In particular, after the 3d Plenary Session of the 12th CPC Congress adopted the "decision of the CPC Central Committee on reform of the economic structure," the region's urban reform entered a new stage and has scored remarkable successes. The region has scored breakthroughs in developing a diversified ownership system and operation, it has quickly developed lateral economic ties, and strengthened the vitality of enterprises, the socialist market became active, and the region has probed ways of strengthening and improving macroeconomic management. He said: Reform has not only ensured continuous, coordinated, and steady development of the region's national economy, but also promoted changes in the way people think, in their mental attitude, and way of living. It also pounded at the vestiges of feudalism, the thinking of small-scale production, as well as ignorant and conservative traditions and customs, which are related to the poor state of our current commodity economy.

When urging us to correctly understand the new situation and new problems which have developed in the course of reform, Hei Boli pointed out: The region's pace of carrying out reforms is rather slow. Many promulgated reform measures are still not implemented and perfected. We have not made things suit these measures, and there are many problems, particularly some new problems developed when the new system replaces the old one, which we must handle correctly. The major difficulty and problem of our current reforms are that our thinking does not conform to the new situation of reform, microeconomic activities of enterprises are not dynamic, macroeconomic control does not invigorate microeconomic activities, and so on.

Hei Boli pointed out: Various difficulties and contradictions developed in the course of reform have made us thoroughly understand that in order to continue to promote reform, we must understand the arduousness of reform, handle well the relationship concerning the replacement of the old system by the new, correct the relationship between microeconomic reform and macroeconomic reform, and really strengthen our leadership over reform.

In his report, Hei Boli worked out this year's tasks of reform. He said: In this year's economic structural reform, the region must really implement the principle of "consolidation, assimilation, augmentation, and improvement." The focal point is to promote lateral economic ties, consolidate and develop achievements of reform, and at the same time make preparations for quickening the pace of reform in the next 2 years.

Proceeding from four aspects, he specifically expounded on the tasks of reform:

First, we should assimilate and augment the stipulated reform measures. The focal point is to further strengthen the vitality of enterprises, particularly the large and medium-sized core enterprises, as well as those that earn foreign exchange through export. We should further invigorate and develop the socialist commodity market, and strengthen and improve market management. We should further improve the financial and taxation systems, the accounting management system, and the financial management system. We should consolidate and assimilate the promulgated measures for pricing reform, and resolutely maintain basically stable prices as a whole, particularly the prices of vegetables and major nonstaple food. We should continue to do well in reforming the distribution system. In particular, we should perfect wage reform among organs and institutions, work out wages for professional jobs, resolve the prominent problems left over from the past, and perfect the work of reforming the whole system of enterprise wages. We should also reform the management system concerning foreign trade and foreign exchange.

Second, we should greatly promote lateral economic ties. Our present focal point should be on the development, utilization, and in-depth processing of mineral and natural resources such as coal, electricity, and aluminum, as well as energy consuming products. We should strengthen the technological transformation of enterprises and strengthen the development capability of enterprises, particularly large and medium-sized ones. We should develop light industry, textile industry, and food industry, as well as town and township enterprises. We should increase the grain amount per area yield, improve quality of agricultural goods, and develop breeding industry such as animal husbandry and aquatic industry. At the same time, we should pay attention to importing technology, strengthening our investment in intellectual resources, training personnel well, as well as economic and technological consultation services, and so on.

Third, we should strengthen and improve the indirect management and readjustment means of macroeconomic control, further reform the planning and financial systems, and strengthen the economic legislation and economic judicature so as to make economic system serve reforms.

Fourth, we should continue to carry out reforms in experimental units in order to make preparations for quickening the pace of reform in the next 2 years.

Fifth, we should strive to do well in the economic work and create sound economic environment for reforms.

The conference was chaired by Yang Huiyun, regional vice chairman. It was attended by such regional leaders as Hao Tingcao, Liu Guofan, Ma Qingnian, and Li Yunhe. Also present were leading comrades in charge of economic work from various localities and departments, some responsible people from enterprises, and regional organ cadres at and above the departmental level.

QINGHAI COMMENTATOR'S ARTICLE ON RURAL REFORM PROBLEMS

HK100315 Xining Qinghai Provincial Service in Mandarin 2230 GMT 9 Jun 86

[Station commentator's article: "Consolidate and Develop the Fruits of Rural Reforms"]

[Excerpts] Since 1981, Qinghai Province has carried out reform in two stages in the rural areas in accordance with the plans of the CPC Central Committee. These reforms have effectively spurred the development of the rural economy.

However, we must also clearly realize that certain new situations and problems have arisen in the rural areas on the way ahead. For instance, due to indiscriminate occupation of farmland by the peasants, and other reasons, the province's farmland area declined by 330,000 mu during the Sixth 5-Year Plan period. Artificial damage has been done to large number of waters conservancy facilities. The sown area of grain, the area farmed by machine, and the area on which insect pests have been eliminated have all declined. Peasant investment in the land has dropped. Illegal selling and renting of contracted farmland has even occurred in certain villages.

These problems are caused by mistakes in work and also by the low quality of the peasants. However, the main reason is that the leading cadres have a one-sided understanding of the position and role of agriculture during the changes in the rural production structure. Some regard township enterprises as a sole aim of the changes in the rural production structure and assign agriculture a secondary position. Some directly regard the development of tertiary industry as the main goal of reforming the rural production structure, and in doing so they attempt to exceed the actual requirements of the development of material production departments such as agriculture and industry and also the current level of the rural productive forces. They see tertiary industry as the main focus for surplus rural manpower. Thus, although they can see the problems that arise, they adopt a laissez-faire approach and are unable to promptly curb malpractices such as indiscriminate occupation of farmland, sabotage of water conservancy facilities, and selling or renting contracted land.

The CPC Central Committee and the State Council have issued a series of guiding documents on agriculture in recent years. Due to the fact that these have not been promptly conveyed to the masses, certain muddled ideas have arisen among the peasants. Some peasants say that the documents have reached the terminus when they get down to the township level. This is very [words indistinct].

Agriculture is the foundation of the national economy. The development of agriculture is subject to economic and natural laws. The more the national economy develops, the greater the demands it places on agriculture, and the greater the burden on agriculture. At present we have entered the second stage of rural reforms. There is bound to be a third and fourth stage. If we are only concerned with the present and not with the future on our road to reform, the foundation of [word indistinct] will be lost.

A number of counties and townships recently took decisive action to put a stop to the unhealthy trends of indiscriminately occupying farmland and damaging water conservancy facilities. This action was taken while conducting education for the peasants. The results have been very good.

The proportion of agriculture and animal husbandry in Qinghai's economy is very high. Over half the population is engaged in agriculture and animal husbandry. In changing the rural production structure, far from weakening agriculture, we must increase agricultural production in every respect. Only thus can the agricultural economy be further invigorated and the rural reforms further consolidated and developed.

COMMENTARY CLAIMS FORMOSAN ASSOCIATION COMMUNIST PUPPETS

OW110201 Taipei International Service in English 0200 GMT 10 Jun 86

[Station commentary]

[Text] Concerned parliamentarians, scholars, and magazine publishers in free China held a public forum last Friday to voice their objection to external meddling in the country's internal affairs. They ended their meeting by publishing an open letter to U.S. Senator Edward Kennedy and his three congressional colleagues, urging them to disband the recently launched quote Committee for Democracy on Taiwan unquote and distance themselves from a group of Chinese terrorist traitors who have been working for the destruction of free China.

It is advice offered in all sincerity.

If Kennedy and three other sponsors of the committee have the good sense to face reality, they should accept the advice with thanks.

In the first place, democracy faces no problem in Taiwan. It has been making steady progress all the while, even though the ROC is locked in a deadly struggle with the Chinese communist regime across the 90-mile wide Taiwan Straits. If that was not the case, there couldn't have been so much progress in Taiwan economically and socially. Kennedy and his friends need only to see what has happened in communist-ruled lands and countries with authoritarian regimes to realize this.

If the ROC Government were really authoritarian, as its detractors charge, how could it be that the ruling party has been able to pool 70 percent or more of the popular vote and polls in one election after another. Senator Kennedy and his three congressional colleagues should be reminded that they have been made fools of by the people they have associated with in the anti-ROC drive.

The so-called Committee for Democracy on Taiwan is nothing but a front of the terrorist dissident group which calls itself Formosan Association for Public Affairs [FAPA]. That is reflected by the fact that two have identical address and telephone numbers in Washington, D.C. A review of FAPA's history suffices to show what kind of organization it is. Founded in 1982, FAPA has fewer than 300 followers in the United States. Among its 61 principal officials elected in September last year, 41 belong to the World United Formosans for Independence [WFI], headed by a George T. Chang. By its own admission, the federation committed 14 terrorist acts against the Republic of China in Taiwan and abroad in the months following the U.S. recognition of Peking. Because of this, the State of California declared the federation as a terrorist group in 1981.

FAPA and WFI are non-Chinese in mentality, although they are Chinese by birth. This is shown in the fact that both avoided the word Chinese or Taiwan to identify themselves. Instead, they use the foreign word Formosan to back up the absurd claim that the Chinese people in Taiwan are a different race, having nothing to do with China. If FAPA and WFI were interested in promoting democracy in Taiwan, they wouldn't have resorted to terrorism, which is certainly undemocratic. They also betrayed their true intentions by openly calling for the termination of U.S. arms sales to the Republic of China. The acts and statements of the two groups have fully revealed that they have become a tool of the Chinese Communist regime, whose objective is to enslave the 19 million free Chinese in Taiwan.

COMMENTARY PESSIMISTIC ON HONG KONG'S ROLE UNDER PRC

OW110340 Taipei CNA in English 1400 GMT 10 Jun 86

[Text] Taipei, June 10 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "Exodus From Hong Kong":

A recent UPI dispatch from Hong Kong began with the following words:

It's 1997 and mainland Chinese leader Deng Xiaoping is gone, his loyalists have been purged and his economic liberalism has been discredited. And his pledge of an independent Hong Kong has been forgotten.

"Real estate and financial markets collapse in the former British colony. An unscrupulous commissar sits in the governor's mansion issuing edicts that trample basic rights."

The UPI correspondent, who termed his forecast as "a worst-case scenario," was reporting the development of a flourishing passport business in Hong Kong as local residents are sufficiently concerned about such an eventuality to scramble for alternative citizenship before Communist China takes over the colony 11 years from now.

The seeming calm in Hong Kong is a deceptive picture. The people of Hong Kong have already acquired a "refugee mentality" as a British academic pointed out.

Stanley Ho, a leader in neighboring Macao's tourism and casino industry with other business interests in Hong Kong, said a couple of days ago that there is already a steady stream of people leaving Hong Kong, and that the exodus will continue as nobody has faith in the future. Speaking at the prestigious College of France, Ho said the refugee mentality of Hong Kong residents shows itself in frequent over-reaction to, say, stock market trends. Ho said, while the current rate of departures is not a threat, a developed capitalist center is being handed over to a backward communist regime, and people are openly skeptical that Peking's promise of "one country, two systems" will work.

The skepticism is a healthy one. To begin with, Peking was never sincere in promising Hong Kong autonomy status, because the intended audience of the "one country, two systems" pledge is the people of free China on Taiwan.

Even if the promise was made in good faith, it would amount to little in substance, as keeping promises is not a virtue among the Chinese Communists. One has only to examine Peking's track record of honoring agreements to find proof. It even ignores the provisions of its own Constitution.

More importantly, the "one country, two systems" scheme is impractical, least of all in a communist state where conformity is the cardinal virtue.

Therefore, the "worst-case scenario" described by the UPI contains little element of exaggeration. Even if Deng could live to the end of this century and his loyalists would remain firmly on the saddle, the chance of Hong Kong remaining what it is after the 1997 takeover is virtually nil.

That's why the exodus from Hong Kong has begun and will continue. The only way to stop it is for the free world to join the Republic of China to return democracy to the Chinese mainland.

UNAPPROVED TRADE CONDUCTED AT EXPENSE OF PRC DEVELOPMENT

HK100239 Hong Kong HONG KONG STANDARD in English 10 Jun 86 Business Section p 1

[By To Yiu-ming]

[Text] State owned companies from China doing business without formal approval of the central government in Beijing have boosted the capital inflow of Hong Kong at the expense of China's development.

A research report by the consultancy firm, Cerd Consultants, said that less than 200 out of more than 1,000 state-owned companies have been given the blessing by Beijing to operate in Hong Kong.

Dr Thomas Chan -- a research officer at the Centre of Asian Studies of the University of Hong Kong, who organized the research on China-owned companies here -- told BUSINESS STANDARD that Hong Kong stands to gain from the capital inflow, as well as investment and employment opportunities brought in by the large number of unauthorized companies. He added, however, that such a growth, if unchecked, may prove detrimental to China's development.

Increasing competition among these companies would hold down the export price of Chinese products, he said, leading to a reduction of export revenue for China. Dr Chan said unrestrained growth in the number of these companies, mainly from provincial and local authorities, might go against import policy and prove to be an outlet draining China's precious foreign exchange reserves.

In the research report, Dr Chan pointed out that China has been tightening its control over state-owned businesses in Hong Kong by introducing better coordination and supervision from the central and provincial authorities. The measures are aimed at remedying the confusion and dislocation in China's foreign trade arising from liberalisation and decentralisation, which enabled provincial and local enterprises to conduct trade for themselves since the end of 1984.

The control measures include enforcing a system of export permits, strengthening import controls, and strictly scrutinizing state enterprises in Hong Kong that have been mushrooming after extensive reform of foreign trade system was introduced. The most recent measure taken by China was reducing the number of approved companies from more than 200 in 1982 to about 140 in 1985, according to the report.

In addition, the State Council has been examining these state-owned businesses in Hong Kong to work out a management scheme by which the companies will be placed under the supervision of relevant authorities in the mainland.

But Dr Chan warned that the effect of these measures would be minimal as far as tightening of control over trade is concerned, if the central or provincial authorities could not rein in the other unapproved companies. "They simply come to Hong Kong and venture in trade with their home province or district, disrupting established channels in China-Hong Kong trade," he said. These companies may not possess as large amounts of state capital as the Bank of China or China Resource Holdings.

GUANGDONG CORPORATION VENTURES INTO OVERSEAS BONDS MARKET

HK110210 Hong Kong HONG KONG STANDARD in English 11 Jun 86 Business Section p 1

[By Eva To]

[Text] The Chinese Government's Guangdong International Trust and Investment Corporation [GITIC] looks set to launch its first public Samurai bond placement. The fixed-rate issue, with maturity not exceeding 10 years, will be the first fund-raising exercise in the overseas money market by Guangdong Province. The amount to be raised would be in the range of 10-20 billion yen (UK [as published] 450-900 million) and would be used to finance a film and bromide (photographic paper) factory in Shantou, a GITIC spokesman in Shenzhen told BUSINESS STANDARD.

Having obtained an informal greenlight in late March from the country's central bank -- People's Bank of China [PBOC] -- GITIC applied for credit rating in the Japanese market and has just obtained an "AA minus" rating, the spokesman said.

This gives GITIC the same rating as the Fujian Investment and Enterprises Corporation (FIEC) of the Fujian Province and the Shanghai International Trust and Investment Company (SITIC). Both FIE and SITIC have floated similar Samurai bonds earlier in Japan.

The rating compares with the "AA" and "AAA" ratings that China International Trust and Investment Corporation (CITIC) and Bank of China received, respectively, in the Japanese market. All foreign institutions seeking to float bonds in Japan for the first time are required to obtain a rating.

The spokesman added that GITIC had filed its formal applications to PBOC and the Japanese Ministry of Finance (MOF) for official approval of the proposed placement. He said the Japanese firm Nomura Securities had been acting on GITIC's behalf in getting the credit rating and had been requested to handle the current application to the MOF.

The spokesman also noted that at least five major Japanese securities houses will be included in the underwriting team for the float. These would include the Nomura Securities, Nikko Securities, Daiwa Securities and Yamaichi Securities -- better known as the "Big Four" securities houses listed on the Tokyo Stock Exchange. The composition of the commissioning banks is still to be finalised, according to the spokesman.

He pointed out that the proposed fund raising will only manage to meet about one-third to two-thirds of the capital requirement of the Shantou film factory which needs a total capitalisation of about 30 billion yen. The remainder is likely to be raised in the Hong Kong capital market at a later date, he said. The issue would probably be denominated in an Asian currency or the Hong Kong dollar, he said.

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